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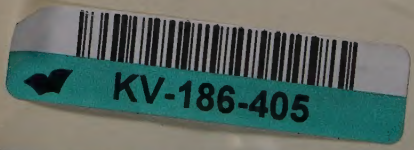

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UNEMPLOYMENT INSURANCE

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A STUDY OF SCHEMES OF ASSISTED INSURANCE

A RECORD OF RESEARCH IN THE DEPARTMENT OF SOCIOLOGY IN THE UNIVERSITY OF LONDON

BY

I. G. GIBBON

WITH A PREFACE BY

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PREFACE.

The object of this volume is not to advocate or to oppose any particular scheme of insurance against unemployment. It is an impartial study of the actual operation of various schemes in foreign countries. The course of his investigations has led the writer to form some definite opinions which he freely states, but his main purpose I take to be not the inculcation of opinion but the study of facts. The investigation was carried on in connection with the sociological work of the University of London, and affords, I venture to think, a valuable illustration of one branch of the researches which academic sociology can help to organise. It is a searching and most painstaking analysis of experience gained abroad which can and ought to be brought to bear in the solution of a great practical problem at home. With the opinions which the writer has formed the reader may agree or disagree, but the data on which they are based he will find fully and candidly stated, and they cannot be ignored by anyone who wishes to form an instructed opinion upon the question.

The most important result which emerges from Mr. Gibbon's investigation is the contrast between the success of the Ghent system of insurance and the difficulties and failures that have beset other experiments. One of the great merits of this system is that

it dispenses with compulsion, and this is of the more interest for us because under British conditions compulsion would probably encounter peculiar difficulties, and if it can be dispensed with the whole problem will be sensibly lightened. Another advantage, if I may venture here to express a personal opinion, is that it puts no burden on the employer. The whole question of the taxation of the employer for the benefit of the workman needs, I would suggest, to be considered afresh. There seems at present to be some confusion of ideas on the point. On the one side we appear to be working with the old patriarchal conception of the duty of the employer to provide for the workman in case of sickness, accident, or unemployment; on the other side we are advancing to a new civic theory of the obligation of the State to co-operate with the workman in providing for these contingencies. On this newer theory it is by no means clear why the employer should be called on for a special contribution, and it may be held that so to call upon him is to place a tax upon industry. The only special claim which the State has on the employer is in respect of contingencies which might be averted by improved organisation of industry, whereby industrial diseases, accidents, and unemployment might be mitigated. If the employer is to be taxed at all it would seem equitable that the taxation should be proportioned, not simply to the number of men that he employs, but to the amount which his particular industry costs the State under these several heads. This assumes a fully developed scheme of

national insurance, and to this we may come by successive steps. In the matter of unemployment it would seem far simpler to begin with the voluntary system which has proved its value abroad, and, leaving the employer out for the time, to divide the burden between the State and the worker.

These, however, are mere personal opinions, suggested in large measure by the evidence set forth in the following pages. Others may read the facts differently, but all who wish to take their part in the coming discussions of the problem will, I am confident, gain something from reading them in the spirit of impartial inquiry in which they have been written.

L. T. HOBHOUSE,

(Martin White Professor of Sociology,
University of London).

INTRODUCTION.

The present volume is the outcome of researches commenced some years ago for the preparation of a thesis for the degree of doctor of science of the London University. It is only a coincidence that it should be produced just when the government have announced their intention, in the King's Speech, of introducing a measure on the subject with which it deals. A draft of the book was completed about the middle of last year, but I decided to await the receipt of the new material which would be available in connection with the international conference on unemployment which was to be held in Paris in September. The writer who endeavours to keep abreast of current developments in a sphere in which progress is so rapid as in the subject of this book, is threatened with the fate of Sisyphus, always to labour, never to complete. Many parts of the present volume have been rewritten more than once to provide for new information which came to hand. But I do not regret having awaited the reports prepared for the Paris conference: they provide a rich store of material from which I have drawn freely. The conference was a striking testimony to the deep interest felt in all western countries in the problem of unemployment; and it is to be hoped that the international association which has been formed for the study of the question will do much to assist in its solution.[1] The reports presented to the conference and the discussions strengthened my

[1] It has been decided to form an English section of the international association: information may be obtained from the honorary secretaries, 4, Bloomsbury Square, London.

confidence in the conclusions at which I had already arrived with regard to the assistance of insurance against unemployment.

The facts which are set out in the book have been gained from the perusal of numerous reports and books and from personal visits of investigation. I am much obliged for the unfailing courtesy with which my many and persistent inquiries have been received. Having regard to the nature of the material, I have not thought it necessary to give frequent references: a bibliography is given in an appendix.

Numerous experiments have been made on the continent in recent years in the assisting of unemployment insurance, and what has been done will repay careful consideration. "We do not need to study continental experience; we adopt our own methods," an Englishman is reported to have said to a continental official. He was a lingering relic of the days of the stage coach. It is clearly desirable to extract to the last grain all the lessons which may be gleaned from the experience of our neighbours, not blindly accepting the results, but assessing them with discrimination and with due appreciation of differing conditions.

The book consists of three parts. The first chapter contains a brief reference to some remedies which have been proposed for unemployment other than insurance, and a short survey of some of the questions which arise in connection with insurance; a brief account is also given of the extent to which insurance, mostly unassisted, has been effected in a number of countries. In the subsequent chapters, except the last, various schemes and proposals as to assisted insurance against unemployment are described, and the results stated of the schemes which have been tried. In the last chapter the conclusions which

may be drawn with regard to assisted insurance against unemployment are considered.

I have divided the different schemes of assisted insurance into three main groups:—

Compulsory insurance, the insurance being compulsory on certain classes of workers;

Provided voluntary insurance, the insurance being provided by a public authority or some body other than the insured persons—and being usually open to workers in general;

Autonomous voluntary insurance, the insurance being organised and administered by the insured themselves, each insurance association being generally restricted to persons following the same or allied trades.

With this group I have included schemes of a mixed kind, which combine assistance to provided and autonomous insurance.

There are many provided and autonomous voluntary schemes. I have therefore described fully one provided scheme, that at Cologne, and two autonomous schemes, those at Ghent and in Denmark, and one scheme, that at Basle, of a mixed type, and have dealt more briefly with the other schemes; but I have given detailed particulars respecting several of the other schemes at the end of the sections or chapters dealing with them, while tables of statistics respecting the more important schemes are given in the appendix. By this method, while the necessary details are available for those who wish to give close study to the question, the way of the general reader, who desires to become acquainted only with the broad features of the subject, is rendered more easy.

In the body of the text, I have generally quoted figures to the nearest ten, hundred or thousand as the circumstances require, avoiding meticulous detail which, without giving useful information, would be distracting to the attention. Foreign moneys have

generally been converted to their English equivalents, except in the tables of statistics in the appendix.

The main gist of the conclusions set out in the final chapter may be stated as follows :—

The state and local authorities should encourage and financially assist insurance against unemployment ; insurance could thus be much extended.

Insurance is best effected through voluntary associations (in practice, generally trade unions) which are managed by the insured themselves ; and insurance in this form should be fostered as much as possible.

Side by side with insurance effected through such associations, the state should provide means of insurance for those not otherwise insured.

Insured persons should be given preference at labour exchanges, if as well qualified as other applicants, in the giving of public, and, in so far as employers acquiesce, of private employment.

It is not expedient, on the whole, that insurance should be made compulsory.

Nor does it seem advisable, at least when the insurance is voluntary, that compulsory contributions should be required from employers.

There is much in these conclusions which is contrary to widely accepted ideas. They have been reached after careful study of the subject, and after consideration of other forms of insurance, such as those against sickness and invalidity, which exist on the continent. At the same time, no one is likely to be less dogmatic in the advocacy of his conclusions than he who has given the subject long and earnest thought ; and the facts in connection with the continental schemes of assisted insurance against unemployment are set out with sufficient fulness for the reader to draw his own deductions.

I have adopted the plan of stating each conclusion as a proposition, followed by the arguments in

support of it. This method unavoidably leads to some little repetition, but the gain in clearness more than outweighs this slight disadvantage.

Some of the matter now published formed the subject of a series of lectures delivered by me at the London School of Economics and Political Science in the spring of 1910. The substance of the second chapter, on compulsory insurance, was published in the *Economic Journal*, of March 1910, and I am indebted for permission to republish it.

I have also to express my indebtedness to the many persons abroad who have furnished me with information, especially to the following, who have read parts of the book in manuscript—Miss Black, secretary of the Danish state scheme for assisting insurance; the Director of the Centraal Bureau voor Soziale Adviezen, Amsterdam, who obtained for me much information respecting measures taken in Holland with regard to unemployment; M. Otto Alder, president of the employers' association at St. Gall for assisting insurance against unemployment in the lace and embroidery industry; and Dr. F. Mangold, formerly cantonal statistician, now member of the Executive Council, of Basle.

I have especially to thank Professors Hobhouse and Lees Smith, of the London School of Economics, and Mr. F. J. Matheson, for many valuable suggestions. And I wish particularly to express my obligation to M. Louis Varlez, of Ghent, the honorary general secretary of the recently formed international association for the study of unemployment, from whom I have received many stimulating comments. It was with no little satisfaction that I learnt from M. Varlez, without question the foremost European authority on unemployment insurance, that he substantially agreed with the conclusions at which I had arrived.

I. G. G.

March, 1911.

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UNEMPLOYMENT INSURANCE.

CHAPTER I.

The Problem.

Unemployment is one of the fundamental problems of modern economic society. By persistent struggle through the ages the workman has won comparative freedom, but finds that he cannot live by freedom alone. How to attain that security of livelihood which is essential to general well-being without sacrificing the freedom gained through long years of effort—that is the problem which now confronts him.

The evil has long existed, though perhaps it has not been so acutely realised as in recent years. But at the present time it is unnecessary to emphasise its importance. It occupies too much attention on platform and in press, from politician and from economist, to escape public attention. There is no problem which eats so disastrously at the very roots of the workman's well-being, no problem of which the solution would add so much to his happiness. At present its dread is upon him as of a plague, a plague which at one time descends on the land with stealthy virulence and counts its victims by tens of thousands, and then gradually dies down until, by the general public, its presence is scarcely felt, but dies down only to break out again, after an interval, with fresh force.

How to exorcise this demon of evil without having its place occupied by others perhaps more disastrous still? Many are the remedies which have been tried or suggested, and

before proceeding to consider insurance or any other form of provision against the consequences of unemployment, it will be well briefly to review some of the measures which have been advocated for preventing unemployment itself, for if unemployment can be very largely reduced, provision against its consequences may become the less necessary.

First come those who would remove man from his exposed condition by placing the whole economic organisation in the hands of the state, and, by establishing the central control of production and distribution, secure to each that at least he should not suffer from unemployment. Apart from the question how far this would be practicable, one may ask whether such a system would not result in the sacrifice of that freedom so hardly won and now so rightly treasured. But, in any case, such a root and branch reorganisation of society is not a matter of the immediate future, and does not enter into the domain of practical affairs.

Less heroic, but still far-reaching, is the dogma of the right to work. Extolled by some as an essential article of any just creed of humanity and the corner-stone of any properly organised economic society, condemned by more cautious circumspection as a dangerous theory, born of too academic sentiment, in practice not a little has been done to concede it. Even in England many urban authorities have provided special work in times of trade slackness, while the existence of distress committees is in some measure a concession to the same current. In Germany still more has been done, a fact illustrated, for instance, by the report of the municipality of Cologne on the relief work provided for the winter 1908—9, in which it is stated: "The idea of the right to work, over the theory of which there is much contention, has in practice long won ground"—a statement amply confirmed as regards Cologne by the particulars given in the report of the large amount of work provided for the unemployed by the municipality.

Work given out because of prevailing unemployment may be in the nature of relief work—work not really required

but done in order to provide employment for persons in need, rarely quite useless work, for public authorities can generally find something better for the unemployed than setting them to dig holes and to fill them up again; or work done in a certain way, not because that way is the best, but because it will give more employment, sweeping roads with hand brooms instead of horse-brooms, for instance; or work which is necessary but is given to men chosen primarily, not because they are suitable, but because they are unemployed and in need. So far, at least, as the experience of this country goes, competent opinion is now fairly well in agreement that relief work, except in very special circumstances, is an evil. As a rule, it is costly and demoralising, demoralising not only to the men employed but also to the community, which is apt to resort to it as to some quack sedative for momentary release from an aching pain. It makes for the creation and growth of a parasitic class, ever looking to the community for assistance when assailed by the slightest distress.

Some contend that to relieve unemployment new industries should be made or existing industries extended by such methods, for instance, as the delicate manipulation of tariffs, as some preach, or, as others urge, by the "opening out of land" and the encouragement of small holdings. But, assuming that it were possible thus to add to the volume of employment, an existing pool of unemployed persons might be drained to some extent for a time, but trade fluctuations would still continue, and, moreover, the causes which had produced the old pool would produce new pools in due course unless these causes were themselves checked.

Many advocate, as special means for adding to the volume of work, that public authorities should undertake afforestation and the reclamation of land. It is urged in favour of afforestation, for instance, that the amount of work to be done can be varied to meet the needs of the labour market, that it can be done largely in winter when unemployment is most acute, and that much of it does not demand special

skill, or at least not skill that cannot be readily acquired. Other advantages are urged :—

Some consider that afforestation would be a profitable undertaking, but that, as the outlay takes a long time to mature, private persons shirk the profit-bearing expenditure. But a community is perpetual, and the slow ripening of profit should not be an obstacle. It is also rightly urged that a community should bear in mind any general incidental advantages which might result from afforestation—improvement in climate or soil, for instance.

Others may admit that the work is not likely to prove profitable, or at least not so profitable as average ventures, but that nevertheless it will pay the community to undertake it because of the resultant gain in saving men and women from the degradation of worklessness and them and their children from the corrosion of want. But this road may lead to masked relief work, with its inevitable dangers. The dangers might be reduced by engaging men in the ordinary course through the labour exchange, just as a business man may engage workmen ; but even then, having regard to the conditions of the employment, there would be obvious risk that a large proportion of the men would be of the class of relief applicants.

While there seem to be grounds for the tentative undertaking of afforestation by the state, and while, if discreetly managed, it may afford some relief of the unemployment problem, it is doubtful whether this relief is likely to be very large. Having regard to the necessarily low rates of wages which would be paid for much of the work, and to the fact that afforestation areas would generally be far away from large urban centres, it is likely that the majority of workmen attracted for temporary work, other than workmen in the immediate district, would belong to the lower grades of labour. It is open to question whether the undertaking of afforestation would render insurance against unemployment much less necessary for the mass of workers,

while, in so far as afforestation was successful in providing temporary work for persons who might otherwise be unemployed, it might make insurance possible for some for whom it might otherwise be beyond reach.[1]

Provision of work through afforestation or reclamation of land derives one of its principal attractions, as stated, from the fact that the amount of work could be varied so as to meet the changing needs of the labour market. At the present time direct efforts towards preventing unemployment tend to be concentrated very much on the better distribution of work. It may seem surprising that, with more than a century of experience behind us, some more regular flow of work has not been channelled out of the stress of circumstances. Probably the rapid changes in methods of production and in markets have prevented the leaders of industry from keeping pace with the surging

[1] In the synopsis of the principal conclusions of the second report of the Royal Commission on Coast Erosion and Afforestation it is stated :—

"2. Approximate available area in the United Kingdom [for afforestation] without material encroachment upon agricultural land is 9,000,000 acres.

"3. Best rotation to secure sustained timber yield requires 150,000 acres to be afforested yearly.

"4. Employment.

"(*a*) *Temporary*.—Temporary employment is afforded annually to 18,000 men during the winter months. Further, an almost equal number would indirectly derive employment in the incidental and subsidiary occupations connected with forestry. This figure might be increased in any year to meet exceptional pressure of unemployment.

"(*b*) *Permanent*.—Permanent employment is afforded to one man per 100 acres afforested, rising to 90,000 men when the whole area has been dealt with [in sixty years].

"(*c*) *Ultimate*.—The employment connected with subsidiary industries, *i.e.*, conversion and manipulation, etc., of the timber crop, would afford occupation for a still larger population."

Mr. B. Seebohm Rowntree has a very interesting chapter in his book on "Land and Labour" (1910) on afforestation in Belgium. He states: "Assuming that one-tenth of the workers were employed during the whole year and nine-tenths for four months in the year, as in Belgium, we should employ 12,000 permanently and 109,000 in winter, not taking into account trained foresters or the men engaged in the industries which would certainly spring up in connection with the growth of timber on a large scale" (p. 170)—this if $7\frac{1}{2}$ million acres were afforested, which would take fifty years at the rate of 150,000 acres the year.

problems before them. But with the development of communication, with more publicity, with the world becoming more and more one market-place, and with the wider experience gained, there is hope that the course of industry will gradually be made less unruly, that the leaders of industry will control trade more thoroughly, and will not let themselves be rushed by a passing tumult of prosperity into rash over-production, injurious to themselves and probably still more so to the community.

But such gradual regularisation of trade by forces inherent in existing organisation is a slow process, much too slow for the impatient haste of an ardent reformer. He wants to wield some power that will work his will quickly, and he finds it, or thinks he finds it, in the state and local authority. These are themselves large employers of labour. Then all that is needed, he contends, is that they shall so distribute their work, so alternate it with private industry, as to counter-balance the inequalities of the latter, filling in the depressions of trade which would otherwise occur.

There is little doubt that unemployment can be considerably mitigated by far-sighted distribution of public work, and that much more can be done in this respect than is at present the case. Opinion appears to be crystallising in favour of more systematic action in this direction. At the same time, it is doubtful whether the improvements which may be effected are so great as is sometimes too hopefully supposed, and the practice has dangers of its own which are often not adequately realised. There are a number of important considerations to be borne in mind.—

The policy of better distribution of public work as a remedy for unemployment does not necessarily depend on any assumption that the aggregate amount of employment in, say, a trade cycle of years would be increased. But it seems sometimes to be assumed that the total amount of employment would be increased if this policy were adopted. It may be urged that in times of high industrial prosperity there is a demand in ordinary industry for more workmen than can be obtained, and

that therefore if public work were kept out of the market at such times to be given out at a season of low trade, the men who would be employed on the work, if performed when trade was very prosperous, would be absorbed, partly or wholly, in the plenitude of ordinary industry. How far is this excess demand general and prolonged? Although there is a cry for more workmen in times of trade boom, the available statistics of unemployment make it doubtful whether this condition exists for more than a comparatively short period in a decade; and, of course, the demand is not for labour in general, but for particular kinds of labour—for weavers or miners or engineers and the like.

Further, supposing that the excess demand were satisfied, it does not necessarily follow that the aggregate employment for the cycle of years would be considerably increased. Part of the work, or its equivalent, may be postponed, not wholly lost, because the necessary workers are not immediately available.

Nor does it follow that it would always be wise to satisfy the excess demand any more than it is always wise to satisfy a child's demand for more cake. Employers, anxious to take advantage of high prices, rashly overproduce, and this over-production brings industrial depression in its trail. Shortage of workers may be a beneficial check—besides giving the workers an opportunity of pressing claims for better conditions of labour.

In so far as the distribution of work were made more regular without any considerable increase in the volume of work, the problem of unemployment would probably be made more acute for some workmen. The more competent or fortunate would have more regular work, their less fortunate fellows still less work. But this might be of some advantage in dealing with part of the problem.

The problem is bigger than is sometimes realised. It has to be remembered, for instance, that Mr. Bowley's estimate of the number of unemployed without sufficient

resources (100,000 in the best year; 300,000 in the worst), to which reference is made in the minority report of the Royal Commission on the Poor Law and Relief of Distress,[1] relates only to a part of the industrial community, and that he has excluded—

(1) unemployment in "practically regular occupations: Professions, Government and municipal service, domestic and commercial service, railways, gas, water and sanitation, food, railway-building, and construction work";

(2) unemployment in "occupations whose times of unemployment are different from the general dates, or where short time is worked (all hands being employed): Agriculture, cotton and some other textiles, coal-mining, shipbuilding";

(3) seasonal unemployment—which, as is well known, is a considerable source of trouble to the authorities who have to deal with unemployment;

(4) unemployment among women and minors, and

(5) to some extent, among casual labourers.

A cursory glance at the exclusions will suffice to show that, even if the problem of unemployment were solved for the classes of workers included, there would still remain a very big problem clamouring for solution. The case of persons only partially employed must also be taken into account, and the number and need of these is largely increased in times of industrial depression.

The total redistribution of expenditure which would be necessary is larger than at first might be supposed. Taking again Mr. Bowley's figures, which conveniently summarise part of the problem with the conciseness of the skilled statistician, he states that, so far as the classes of unemployed with which he deals are concerned, to bring employment in the worst year up to that of the best, £10,000,000 more is needed to be spent

[1] Part II., Chapter V. (c), p. 1195: first edition. Mr. Bowley's evidence before the Poor Law Commission is printed in Vol. VIII. of the Appendices, pp. 463—473.

in wages, or, to regularise employment for a cycle of ten years, a total sum of £40,000,000 in wages is needed for the bad years.

Now to produce £10,000,000 more in wages for the classes of workers to whom the statistics refer would require a much larger expenditure by public bodies, for only a part of the expenditure would go in wages to these classes; a considerable part would go in remuneration to capital, in remuneration to the higher ranks of salaried workers, and in wages to other classes of workers not included in Mr. Bowley's figures.[1]

The means at the disposal of public authorities for regularising demand are less than might be supposed from an unanalysed statement of their expenditure. It must not be overlooked that a considerable part of the expenditure of a state or local authority is not such as can be varied to any large extent to meet the needs of the labour market; and while it may appear easy to vary the expenditure to the extent of some millions when the total expenditure is considered, this may not seem so simple if the expenditure is reduced to that which can well be varied according to the exigencies of the labour market.

[1] An extract from a report made by Mr. R. Rawlinson, C.B. (afterwards Sir R. Rawlinson) to the President of the Poor Law Board on the special works undertaken in the 'sixties for the relief of distressed cotton operatives is interesting in this connection. "An estimate, made out in detail, showed me that a sum of £1,500,000 might be apportioned and expended as under:—For materials and land £798,645, for plant, tools, and superintendence £94,109, for skilled labour £175,490, for unskilled labour £431,756, or little more than one-fourth the whole sum appropriated by Parliament could be directly paid to the distressed men.

It was explained that these figures must be accepted if works of necessity and true utility were alone to be undertaken; but that in the cost of materials, skilled labour, plant, and superintendence, at the least two-thirds of the entire sum estimated for these contingencies would add relief by its expenditure in the distressed district, and would also employ much local labour in stone quarries, brickyards, and in other ways." (Poor Law Board Report, 1868-69, p. 110.)

Of course, work specially reserved and given out when unemployment is high would differ very considerably from work such as that done in Lancashire at the time of the cotton famine, but it has to be taken into account that the latter work, consisting as it did of sewerage, street, and similar work, was of a kind in which a large proportion of the cost was expended in wages.

Then again, to make brief mention of a difficulty to which attention has been frequently drawn, unemployment is not of a general kind, but is to a large extent specific, being unemployment of men with definite trades. How guarantee that the work reserved by public authorities would be such as was needed to provide the kinds of employment required, even when account is taken, not only of the employment directly given, but also of employment indirectly caused—by demand for necessary materials, expenditure of workmen directly employed, etc.? Under existing conditions, the work which could be reserved by a public authority to any large extent would be very circumscribed in kind. As stated in a report recently prepared for the German social democratic trade unions (*Gewerkschaften*)—"The possibility of providing work in times of extensive unemployment is restricted. The public authorities—of the communes, circles, provinces, states, and the empire—can reserve work for distribution at such times, but this work is particularly suited only for certain classes of workmen, such as those engaged in the building trades and in navvy work. Still, the labour market can be relieved to some extent in this way. Relief-work can also be provided—stone-breaking, digging and forest work, cultivation of moorlands, and wood-chopping. But these kinds of work also are not suitable for all workmen, and cannot give employment to all. Therefore there always remains quite a large proportion of unemployed workmen for whom resources of this kind are not of avail."[1] If, of course, public authorities enter more largely than at present on industrial activities, the possibility of reserving work for the different classes of unemployed persons will become greater.

Lastly, there is the fundamental question, which has already been incidentally raised, of the extent, if any, to which the

[1] Vorschläge zur Organisation der Arbeitslosenversicherung, ausgearbeitet von dem Delegierten der Generalkommission der Gewerkschaften Deutschlands zur Internationalen Konferenz in Paris 1910 zur Bekämpfung der Arbeitslosigkeit; p. 1.

remedy of improved distribution of public work would tend, in the long run, to aggravate the very disease for which it was administered. In proportion to the success of the measure there would be less incentive to workmen to secure more regularity in the course of ordinary trade, and it seems conceivable that workmen, acting through their organisations, might be able to do much towards securing more regularity. Further, incentive would be removed from the employer also, for, by distribution of reserved public work, not only would the workmen be saved from unemployment, but also the employer would, to some extent, be saved from idle capital. But under existing conditions the dread of resulting depression, a lesson learnt from over a century of experience, is one of the brakes on over-production. If, as is sometimes urged, the cycle of trade boom and depression be largely psychological in origin, it is clearly desirable that any measures which tend to weaken any psychological check on the evil should be undertaken with circumspection.

It seems clear from the foregoing brief comments, which do not aim at being more than a rapid sketch of some of the difficulties which arise, that, however much may be hoped from the gradual ripening of public opinion in favour of more systematic distribution of public work in sympathy with the labour market, there will still remain a large problem of unemployment, and that any measures which may be taken are not likely to remove the need, for the workman, of making reasonable provision, by insurance or otherwise, against the consequences of unemployment, while, as previously stated with regard to afforestation, in the measure of their success they may bring insurance within the range of practicability for some for whom, by reason of frequent or prolonged unemployment, it is now too distant. It is significant that, while in the minority report of the Royal Commission on the Poor Laws and the Relief of Distress the advantages of more circumspect distribution of public works are strongly urged, the financial encouragement

of insurance against unemployment by the state is also advocated.

The most important measure taken in this country in recent years for dealing with unemployment has been the establishment of labour exchanges. It is anticipated that these institutions will ameliorate conditions, among other ways, by reducing the time lost between jobs, and still more, by reducing an excessive surplus or reserve of labour. When there are a number of unconnected means of engaging workmen a reserve of labour tends to gather round each, a fact strikingly illustrated in dock labour, whereas by having a well-knit system of labour exchanges, the reserve of one place, or such part of it as may be necessary, can be drafted to another, and the tendency should be to have a much smaller total reserve than would otherwise be the case. Trade fluctuations, however, will still exist, and the need of insurance against the consequences of unemployment will continue. In so far as labour exchanges enable some workmen to obtain more regular employment, perhaps, incidentally, making the lot of other less competent workmen less eligible, they too may facilitate insurance, making it practicable for a class for which it was not possible under the old conditions.

Before proceeding to consider the various schemes of assisted insurance against unemployment which have been tried, it will be well to make a general survey of some of the questions to be considered.

One objection which may be raised to the encouragement of provision against unemployment, whether by insurance or otherwise, is that to do so will tend to divert the attention of workmen from the endeavour to make employment more regular. But this contention carries little weight against provision by insurance. Unemployment can only be effectively fought in co-operation. The workman acting alone, struggling individually, can achieve little. In insurance workmen act together. Through the very undertaking of insurance they realise that they have to bear the burden of

unemployment as a body, and will therefore be the more likely also to take steps towards effecting any other remedies which may be available. As is stated with clear insight in the report prepared for the general committee of the German social democratic trade unions from which I have already quoted, ". . . the public grant of money to unemployed persons without requiring the payment of contributions takes away all tendency towards solidarity, which must be recognised as the first essential of effective unemployment insurance."[1]

Another argument against provision through insurance is that it favours the less competent. Men who otherwise would drop out survive at the expense, on the whole, of their abler fellows.[2] But in reply it may be said that, though to some extent a number of less competent workmen may be enabled to survive by burdening their industry and their fellow-workmen, the evils that would result if there were no insurance would be greater still. Even the best workers need the protection of insurance. And in addition to the direct gain in security which the abler or more fortunate worker gains through insurance, there are incidental advantages which are not less important. The unemployed person without means is a standing menace to the standard wage; he is under constant temptation to underbid the man who is in work. It will pay the workman who is regularly employed to help maintain his less fortunate fellow during the latter's time of need. This consideration is not strictly pertinent to insurance, but it has played a most important part in inducing workmen to undertake insurance.

In estimating the general gain from insurance against unemployment, it must not be overlooked also that the very existence of insurance moderates the severity of industrial depression. It is a means of making less uneven the ups and downs of the normal course of trade. Part of the gains

[1] P. 16.

[2] See, for instance, the particulars quoted later (pp. 16, 17) respecting the London Society of Compositors and the London Consolidated Society of Journeymen Bookbinders.

of good trade is put by to be spent in days of trade stagnation, and the very spending of the saved money reduces this stagnation.

Is Insurance against Unemployment Practicable?

It is essential in a proper system of insurance that the risk against which insurance is undertaken shall be clearly defined. This is even more necessary in insurance against unemployment than in many other forms of insurance, because the risk in this case may be so easily confused with other risks from which it should be clearly distinguished. The insurance should be directed only against involuntary unemployment due strictly to want of work. It may be difficult to say in positive terms what kind of unemployment shall be entitled to benefit, so as to remove for practical purposes all ambiguity, but a sufficiently precise definition may be obtained by expressly excluding those kinds of unemployment in respect of which benefit is not to be paid, but which, in the absence of such a definition, might be confused with that against which insurance is taken—by excluding, for instance, unemployment due to a strike or a lock-out, to sickness, accident, invalidity or old age, or to a person's negligence to seek or to take work. It is in this way that the difficulty of definition has been overcome in practice, and although there will occur border cases, just as in other kinds of insurance, where it is not easy to say whether the unemployment is one for which benefit should be paid, these cases are not such as to present serious obstacles to the efficient administration of insurance schemes.

A proper definition of the unemployment against which insurance is to be undertaken once obtained, the question whether the principles of insurance can be applied depends chiefly on three considerations:—

Whether the amount of risk can be foretold for the group to which the insurance is to be applied;

Whether the risk is general to the members of the group and

is not restricted to particular persons or to particular classes within in it;
Whether fraud can be prevented.

Anticipation of Risk.—It is an essential condition of insurance that the amount of risk can be foretold within certain limits—foretold, that is, not for the individual but for the group. It is not possible to foretell whether a particular person will die within a year, but in a town of 100,000 inhabitants it may be calculated within comparatively narrow limits how many persons will on the average die within the period. It is thus possible for the 100,000 persons, acting together, to make the necessary provision against the risk, and to make this provision in the most economical manner, since they know the degree of risk to which as a whole they are exposed.

Can unemployment be foretold? The figures of unemployment show considerable regularity of variation; the curve tends to repeat itself over a cycle of years. At the same time it must be admitted that it is not possible to tell within narrow limits how much unemployment is likely to occur in a particular trade within a year or within a number of years. The margin of error is wide. This is manifest from a study of the statistics of unemployment published by the Board of Trade.

The degree of uncertainty as to the amount of risk is naturally some bar to a satisfactory system of insurance, but does not present an impassable barrier. Though there are few trades, if any, in which it can be said with exactness what amount of premium is necessary to provide a certain benefit, on a strict actuarial basis, this difficulty has not, and need not, bar insurance, even with present information. Insurance against sickness had to contend against a similar difficulty, and knowledge has only come with experience. The risk may also change with changing industrial conditions. Here again there is no insuperable barrier. The risk of sickness changes with changing social conditions, though, it is true, not to so great an extent. What is

necessary is a clear recognition that experience must be constantly watched so that the terms of insurance may be adapted to changing conditions. And it is an advantage in this respect that insurance against unemployment is directed largely against a risk of the immediate and not of the remote future, and, therefore, the rates of contribution and of benefit can be the more readily adjusted. That unemployment depends to a considerable extent on age detracts somewhat from this consideration; but even this fact, as will be shown later (pp. 246, 247), need not be a serious hindrance to insurance under certain forms.

Incidence of Unemployment.—If unemployment does not fall more or less indiscriminately on the members of a group, but falls on particular persons or classes within the group, it will probably not be considered equitable that the other members who are in regular employment should bear the burden of contributing to the maintenance during unemployment of their fellows who are frequently out of work. If such a condition of things exists, insurance is difficult. Those who are little subject to unemployment are likely to object. It is probably the case that in most trades there is a small proportion of workmen who are very much subject to unemployment, members who are less competent or who, from personal habits, easily lose work or find difficulty in obtaining new work. The largest number of the workmen will probably not be unemployed very frequently or for very long periods.

Some interesting figures touching this question have been given by Mr. W. H. Beveridge in his book on unemployment.[1] He gives statistics respecting the London Society of Compositors:—

1,671 members (14·3 per cent. of the total) received benefit in the years 1904 and 5.
1,261 (10·8 per cent.) received benefit in the years 1904, 5, and 6.
1006 (8·6 per cent.) " " " 1904, 5, 6, and 7.

The 1,006 members, forming 8·6 per cent. of the average membership, received in all 56 per cent. of the total benefit paid during the four

[1] Unemployment: A Problem of Industry; by W. H. Beveridge 1909.

years 1904—7. During these four years they cost the society over £40,000.[1]

The following statistics are also given respecting a group within the same society in which unemployment is still more concentrated.

81 members received in 1905 within 2*s.* 6*d.* of the maximum benefit (£26 12*s.*; for 38 weeks);

58 members received the maximum benefit in one or more of the other 5 years, 1903—7;

17 others received at least £18 (equal to 26 weeks' benefit) during at least one of these other years; and the

6 others received substantial sums.

Of the 58 members who received the maximum benefit in one of the years 1903, 4, 6 or 7—

21	received	the	maximum	in 2	years	out of the 5 years	1903—7.
25	,,	,,	,,	in 3	,,	,,	,,
7	,,	,,	,,	in 4	,,	,,	,,
5	,,	,,	,,	in 5	,,	,,	,,

The last 5 also received special grants raised by a voluntary subscription. During the 5 years they cost the society in all £667, or, on the average, approximately 10*s.* 6*d.* per person assisted per week.[2]

Mr. Beveridge gives other figures respecting the London Consolidated Society of Journeymen Bookbinders:—

1,342 persons belonged to this society.

572 signed for unemployment pay in 1903.
377 of these (65 per cent.) signed also in 1904;
279 (45 per cent.) signed in 1905;
298 (52 per cent.) ,, 1906.
160 (12 per cent. of the average membership) signed in each of the 4 years 1903—6;

this 12 per cent. of the members sustained 35 per cent. of the recorded unemployment of all the members of the society.[3]

These figures throw a most interesting light on unemployment in some trade societies, and are in some respects somewhat disconcerting. It is clear that in these two societies a large proportion of the total benefit is granted to members who are unemployed to an exceptional degree. The more regularly employed members have to contribute largely to the support of other members who are subject to a chronic recurrence of unemployment. This feature may be more prevalent in the two societies to which the statistics refer than in trade unions generally, but at most they only exhibit in an exaggerated form what is probably more or less common to all trade societies.

[1] Pp. 140—1. [2] P. 141. [3] Pp 141—2.

This condition is not favourable to insurance; but its adverse effect is modified by three considerations:—

(*a*) Those who are subject to excessive unemployment tend to be squeezed out. They lose membership.

(*b*) Under the conditions of modern industry, where change so largely prevails, even persons hitherto in very regular employment may suddenly be thrown out of work. There may be unforeseen changes in industrial processes, or a firm may fail, or through some other cause beyond the workman's control the solid structure of his industrial stability may be shaken as by an earthquake, with disastrous consequences if he has not made provision.

(*c*) As previously pointed out, insurance effected through a trade society has incidental advantages even to the very regularly employed, as a means of maintaining the standard wage and the general conditions of employment, and this fact is of cardinal importance to the workman.

It has to be remembered also that almost equally serious difficulties occur with regard to insurance against invalidity, for instance, a form of insurance which is now accepted without question. Partially disabled persons who are a charge on insurance funds find employment during times of high industrial prosperity, to be discharged when trade ebbs and to become again a burden on the insurance funds. The case of these persons has not been held to make insurance against invalidity impossible or even difficult. "The manifest difficulties which have to be met, especially in insurance against partial invalidity, do not appear to be less than the difficulties which have to-day to be met by the organisers of unemployment insurance funds," says Professor Fuster, general secretary of the Permanent International Committee on Social Insurances, and one of the highest authorities on the question.[1]

[1] L'Assurance contre le Chômage et le Contrôle. Report presented to the International Conference on Unemployment held at Paris in September, 1910, p. 5.

Fraud.—The societies which have provided insurance against sickness have realised the importance of checking fraud, and this is one reason why societies with small local branches, in which mutual check can be more easily exercised, have been so successful. It is easier to simulate unemployment than sickness. For sickness, appearance must to some extent be pretended. A person must have an actual paleness or limp, or adopt some other device to cheat the visitor. The unemployed person needs no such manifest outward sign, and there is therefore some difficulty in checking attempt at fraud.

Trade unions have succeeded in checking fraud to a large extent, partly by the same method as friendly societies—the system of small local branches. The members of trade union branches have knowledge both of each others' characters and of the conditions of work in their neighbourhood. Members as a rule readily know whether one of their fellows is genuinely unemployed. And they have every incentive to exercise strict check. All contribute to the funds, and a member who pretends unemployment robs his fellows, so that the latter are not likely readily to acquiesce in his deception. In this way trade unions on the whole appear to maintain fairly adequate check. In some places on the continent the check of a public labour exchange has been added.

On the whole, therefore, we may conclude that the obstacles to insurance against unemployment, though real, are not insuperable. But it is necessary that the nature and magnitude of the obstacles should be understood, as they have an important bearing, as will be seen later, on the manner in which the insurance should be effected.

Should the Community Assist?

There are three primary reasons why it may be held that the community should assist insurance against unemployment—

(*a*) Because insurance will prevent charges which the community would otherwise have to incur;

(*b*) Because insurance fosters habits which are conducive to the general well-being;

(*c*) Because unemployment is partly a consequence, not of individual fault or conduct, but of the general social organisation.

(*a*) Unemployment is hydra-headed in its evils. Poverty and disease are its issue. It enfeebles the present and poisons the future. If allowed to grow rank it will burden the community with a multitude of helpless and destitute, many of whom will soon pass beyond redemption.

(*b*) New forms of social organisation demand new social habits from the individuals who would live effective lives within them. It cannot be gainsaid that a large proportion of the members of the working-classes are wanting in the habit of deliberate co-operative providence which is essential under modern economic conditions, not only for the good of the individual, but also for that of the community, and not only for the avoidance of poverty and disease, but also for general progress. While, on the one hand, it would be disastrous for the community to encourage the persistence of types seriously lacking the fundamental tendency to the desired habit, on the other hand, the community will be justified, and will be repaid in results, in discreetly stimulating the sturdy growth of the habit where the inherent conditions are favourable.

The general charge that assistance by the community weakens responsibility, and tends to make the individual cast his burden upon his fellows, is not of much weight against assistance to insurance against unemployment, if given with circumspection. Some schemes of assisting insurance make a very strong point of the fact that aid is given only to persons who help themselves. Instead of weakening individual responsibility, self-help is encouraged. No doubt there would be some advantage if self-help could flourish without

public stimulation, but under present conditions it does not do so, and the evils that arise from the absence of provision against unemployment much more than outweigh any undesirable consequences of granting moderate assistance.

(*c*) There are reasons other than those of mere self-interest which should lead the community as a whole to lend assistance against unemployment. Take, for example, unemployment due to the introduction of some invention which has markedly reduced the cost of production and, on the whole, benefits the community, but hits hard the workmen who formerly produced the article. Does not the community owe some debt to the latter—a debt which may in part be met by assisting them to make provision against such contingencies?

The community also plays a part in the ordinary causes of unemployment—in seasonal unemployment, for instance, with the unnecessary rush causing a glut in one season and stagnation in another; and in changes of fashion, sometimes almost freakish in their irresponsibility. In large cyclical changes again, the chief cause of unemployment is primarily, not the caprice of individual action, but the general conditions of industrial organisation.

And the reasonableness of the suggestion that the community should render assistance to insurance does not rest simply on the ground of its responsibility, but even more on the good results that may be expected to follow. In proportion as the community in general is made to feel by actual payment that it has responsibility in this matter, more thought is likely to be exercised and steps taken which will mitigate the causes which produce so evil results.

In certain instances, assistance given by the state, small at first, to some form of social effort, has gradually grown larger and larger until ultimately the state has undertaken most, if not the whole, of the burden of service which formerly it had simply assisted to a small degree. May this

not occur with regard to provision against unemployment? No doubt there is some danger of this sort, though in certain kinds of schemes which have been in existence on the continent now for some years there has not been manifested any tendency in this direction. And one may rest assured that, if the state is to undertake the whole burden of providing against unemployment, this will be brought about, not simply by lending assistance to insurance, but by the irresistible force of much deeper causes, causes which would produce their results none the less surely, and perhaps even more quickly, if assistance to insurance were not given.

Should the Employer Contribute?

If a case can be made out for requiring the community to assist provision against unemployment on the ground that it is partly responsible for it, even stronger may seem the case for requiring contributions from the employer. The manner in which an employer conducts his business is an important factor in determining unemployment. If he were required to contribute towards provision against unemployment made by workmen he would be more likely to be assiduous in adopting measures for preventing unemployment, to the general benefit of the community. The insurance schemes of Germany against sickness and invalidity form convenient precedents for requiring the employer to contribute.

Another argument in favour of levying contributions from the employer is the contention that an industry which does not provide regular employment may readily become parasitic and burden other industries with the maintenance, in part, of its workers. There is advantage in making each industry bear its own burden. It thus becomes the clearer which industries contribute to, and which detract from, the general well-being.

There would be an incidental advantage of requiring contributions from employers which, working with other forces driving in the same direction, might have considerable social consequences. The sense of solidarity between employer and

workman would be made keener. They would both be working together for a common purpose; and, under a well-devised scheme, representatives of both might be sitting on the same committee for administering the grant-in-aid, and thereby fostering, not only the sense of common interest, but also the habit of common action.

Against requiring contributions from the employer, it may be urged that fresh burdens would be placed on industry; profits would be reduced and unemployment itself intensified. It may also be contended that provision against unemployment is primarily a matter for the workman, and that it is best provided by his own efforts and through his own organisations apart from the employer; and that it is more advantageous that the workman should direct his efforts to securing adequate wages which will enable him to provide against unemployment in so far as he cannot take measures to avoid it.

More serious is the danger that if employers are required to contribute towards insurance against unemployment they will demand a say in the manner in which this insurance shall be provided. If the importance of securing full freedom to workmen to establish their own organisations and manage them in their own way be supreme, then the interference of the employer in the work of these organisations might well be too heavy a price to pay for any pecuniary assistance. It may be possible, however, so to arrange the scheme of assistance that, while the employer should be given some voice in the distribution of subsidy, he should have no say in the management of the workmen's institutions through which the insurance was effected. These matters must be weighed later when we come to formulate our conclusions.

Unassisted Insurance against Unemployment.

It will be advantageous briefly to consider to what extent workmen have made provision against unemployment through their own unassisted efforts in the United Kingdom

and elsewhere. Not only will this show what has already been done, but it will enable us to see in truer perspective the measure of the results achieved on the continent by assisting insurance against unemployment.

United Kingdom.—In the report of the Board of Trade on the work of the trade unions of the United Kingdom during the years 1905 to 1907, it is estimated that, in all, some £514,000 was expended during 1906 by trade unions in the United Kingdom in unemployment benefit. This sum was expended by some 750 trade unions. Of the total amount about 82 per cent. was expended by societies included in the 100 principal trade unions, respecting which detailed particulars are given in the report of the Board of Trade. In the year 1907, 82 of these 100 trade unions, with 83 per cent. of the total membership of the latter, paid some form of unemployment benefit to a total amount of nearly £466,000. Later particulars published in the *Labour Gazette* show that no less than the enormous sum of over £1,000,000 was expended by the 100 principal trade unions in unemployment benefits in the year 1908, and over £940,000 in 1909. During the ten years, 1900 to 1909, unions included in the principal 100 provided in all over £5,500,000 in benefits of this kind—no small achievement. The following table gives the expenditure during 1909, to the nearest £1,000, in the different trades of the 100 principal trade unions:—

Metal, engineering, and shipbuilding	£449,000
Textile	142,000
Building	139,000
Mining and quarrying	87,000
Printing, paper, etc.	57,000
Other trades	70,000
Total	£944,000

Detailed particulars for the ten years, 1900 to 1909, are given in Table I., p. 305, in the appendix. In some industries, mining especially, slackness is met by working short time, and therefore comparatively little unemployment benefit is paid.

The benefit paid in the several trade unions differs very considerably. In some, practically only travelling benefit is paid, or the rate of benefit is low and is only paid for short periods. In many of the more skilled trades, while the rates of benefit are not very high, the period for which benefit may be received is long. Thus, a member of the Amalgamated Society of Engineers of over ten years' standing can receive 10*s.* a week for fourteen weeks of unemployment, 7*s.* a week for the next thirty weeks, and 6*s.* a week for the remaining period of unemployment. But the engineers are among the aristocracy of labour, and benefit is generally not on so generous a scale.

Very interesting are the particulars of the expenditure per member of the trade unions on unemployment benefit. The following shows the average annual expenditure per head of membership in eight of the principal unions for the years 1898 to 1907 (to the nearest shilling):—

London Compositors	29*s.*
Ironfounders (England)	24*s.*
Boilermakers and Shipbuilders	19*s.*
Amalgamated Carpenters and Joiners	16*s.*
Amalgamated Engineers	14*s.*
Cotton Spinners (based on total membership, including piecers)	12*s.*
Typographical Association	11*s.*
Durham Miners	3*s.*

(The terms of benefit have changed in some cases in the period 1898—1907.)

These figures show the actual average charge on members in respect of unemployment pay; to arrive at the full burden, a small amount would need to be added for expenses of management. The figures show that the amounts provided were:—

over 5*d.* a week per member in two instances;
over 3*d.* a week in three additional instances.

These payments are made to provide against one of the several contingencies of a workman's life.

The foregoing particulars will not serve as an indication of the need for provision in the several trades in comparison one with the other, for they depend upon the rates of

benefit and the time for which it is paid, and these differ considerably in the several unions. And as previously stated, in some industries the practice is to work short time when trade is slack, so that little is paid in unemployment benefit even when the total unemployment is high.

Some criterion of the need in the several trades may be obtained from the percentages of unemployment periodically published by the Board of Trade. The figures published in the thirteenth abstract of labour statistics show that the average unemployment for the ten years, 1899 to 1908, for all the trade unions making returns was 4·3 per cent. Taking the principal groups of trades, the average was :—

In shipbuilding trades	9·5 per cent.
„ building trades (carpentering and plumbing)	5·9 „
„ furnishing trades	5·8 „
„ engineering trades	4·8 „
„ printing trades	4·6 „

Allotting 10s. a week (a liberal rate in existing circumstances) to the unemployed included in these percentages, the average weekly amount, to the nearest penny, which would have to be provided by all the trade unionists included would be :—

For all the trades	5*d.*
For the shipbuilding trades	11*d.*
„ building „	7*d.*
„ furnishing „	7*d.*
„ engineering „	6*d.*
„ printing „	6*d.*

A number of precautions have to be taken in interpreting these figures, but on the whole they serve to give a rough indication of what would be required of the workman in some trades if full provision were made against unemployment.[1]

[1] But it is necessary to bear in mind, among other considerations,—
(*a*) that, as previously stated, 10s. a week is a high rate in existing circumstances, especially in respect of unemployment of long duration;
(*b*) that it would be reasonable not to pay benefit in respect of the first few days of unemployment: the total benefit would probably be considerably reduced in consequence;
(*c*) that generally benefit would only be paid for a limited time,

The statistics of unemployment also demonstrate how widely the needs vary from one year to another. Thus, in 1899 the percentage of unemployment for all trades was 2 per cent., which would make necessary a contribution of about $2\frac{1}{2}d.$ a week to provide a benefit of 10s. a week per unemployed person, whereas in 1908 the percentage of unemployment was 7·8 per cent., which would have made necessary a contribution of about $9\frac{1}{2}d.$, nearly four times as much.

A little has also been done in this country through friendly societies towards making provision against unemployment. Forty-one registered friendly societies in England and Wales have among their objects that of "assisting members out of employment." Thirty-four of these societies "paid during the year 1908 £11,530 to members out of employment. The Societies at the 31st December last [1908] had an aggregate membership of 28,888 and accumulated funds amounting to £281,678."[1] Most of these societies are small and restricted to some trade or occupation. There are societies, for instance, for foreign waiters and cooks in the metropolis.

In addition, some of the larger societies pay travelling benefit. Thus, during the five years, 1904 to 1908:—

The Independent Order of Oddfellows (Manchester Unity) paid in travelling benefit	£1,948
The National Independent Order of Oddfellows	£146
The National United Order of Free Gardeners	£145
The Grand United Order of Oddfellows	£108

Large amounts are distributed by some societies in special distress relief grants to their members, as will be seen from the particulars given in Table II. in the appendix, p. 306. These grants are frequently given to meet distress due to unemployment. In the case of some societies, the Ancient Order of Foresters being one, the amounts entered under special distress grants include payments in travelling benefit.

[1] Reports of the Chief Registrar of Friendly Societies for the year ended December 31st, 1908, Part A, p. 8.

The nine societies included in the Table given in the appendix distributed in the six years from 1903 to 1908 over £360,000 in special distress grants.

Less has generally been achieved by trade unions in other countries in the way of insurance against unemployment than in the United Kingdom. Particulars will be given later, in dealing with assisted schemes of insurance, which will indicate the extent to which insurance against unemployment is effected in Belgium, Denmark and France. In Denmark especially the proportion of workers insured is very high. The following are brief particulars of what has been accomplished in some other countries :—

Germany.[1]—Rapid progress has lately been made. In the last seven years the number of persons insured has more than doubled and now embraces a large proportion of the working-classes. The following are particulars of persons insured and of benefit paid in 1908 :—

Social-democratic trade unions.—Out of the 1,900,000 members of these unions, 1,300,000 (72 per cent.) were in unions with unemployment benefit.[2] £480,000 (£500,000 in 1909) was paid out in unemployment, travelling, and removal benefit.

Christian trade unions.—Out of the 265,000 members of these unions, 192,000 (73 per cent.) were in unions with unemployment or travelling benefit. £6,700 (£9,800 in 1909) was paid in unemployment and travelling benefit.

Hirsch-Duncker unions.—These unions comprised 105,000 members.

[1] At a number of places in Germany and some of the other countries mentioned, assistance is given to insurance against unemployment, as will be described later.

[2] These statistics of membership are taken from a report by Dr. J. Feig, presented to the Conference on Unemployment held at Paris in 1910 (" Der gegenwärtige Stand der Bekämpfung der Arbeitslosigkeit und ihrer Folgen im Deutschen Reich, insbesondere die Arbeitslosenversicherung "); and appear to be exclusive of the cases in which only travelling or removal benefit was paid.

According to the report prepared for the general committee of the German social-democratic trade unions, to which reference has been previously made, the total number of members of these trade unions insured against unemployment increased from under 800,000 in 1903 to over 1,800,000 in 1909. Some of the unions, especially unions in the building trades, paid only travelling benefit. This report contains valuable information on the work done by the unions in the way of unemployment insurance, and is a signal instance of the thoughtfulness with which the leadership of the unions is conducted.

102,000 (97 per cent.) were in unions with unemployment benefit, and £15,300 was paid in unemployment and travelling benefit.

In addition, some £11,300 was paid in 1908 in unemployment benefit by trade unions of business assistants, with 240,000 members; £3,400 by unions of technical employees with 86,000 members; and £300 by unions of clerks, with 12,000 members.

Therefore, in 1908, nearly 2,000,000 persons belonging to the above-mentioned unions were insured against unemployment, and in that year these unions paid out over £500,000 in unemployment benefit of various kinds: in the next year a still larger sum was distributed.

Austria.—Over £71,000 was paid out in the year 1909 by the social democratic trade unions of Austria in unemployment, including travelling, benefit. The unions of this group numbered 4,450 in all with over 415,000 members at the end of 1909. Some unemployment benefit was also paid by "Christian trade unions" in Austria.

Hungary.—On the 1st January, 1909, there were forty-nine social democratic trade unions with 102,000 members, and these unions paid in 1908 some £19,000 in unemployment benefit of various kinds; the number of workmen so organised in 1901 was only a little over 8,000, so that there has been considerable increase. In addition, a national union of commercial employees established an unemployment benefit fund in July, 1909.

In Austria and in Hungary, trade unions are prohibited from providing strike funds.

Holland.—At the beginning of 1909 some 350 trade unions, counting nearly 24,000 members, about 20 per cent. of the organised workmen of the country, had unemployment insurance funds. But all the trade unions do not compel every member to be insured, so that the actual number who made provision against unemployment cannot be stated.

Sweden.—Little has been done among Swedish workers in the way of insurance against unemployment, largely because of the fact that, owing to the industrial conditions of the country, unemployment has not been very serious except on a few occasions. Considerable progress has been made of late years, however, and fifteen trade unions with from 70,000 to 80,000 members, now provide unemployment benefit; the amount paid in benefit during 1909 was between £18,000 and

£19,000. Additional trade unions are considering the provision of insurance against unemployment.

Switzerland.—In Switzerland also, until quite lately, not much was done towards insurance against unemployment by trade unions. In recent years there has been comparatively rapid development, and by 1908 twenty unions affiliated to the *Gewerkschaftsbund* were paying unemployment benefit. A large number of "Christian-Social trade unions" also had unemployment insurance funds.

Italy.—Unemployment insurance is provided by only four national federations and about a dozen other trade unions, which count in all about 50,000 insured members. In addition apparently to the foregoing 50,000, some 26,000 members of 78 Catholic organisations are also insured against unemployment, while in five other Catholic organisations special provision is made through individual savings, members being compelled to make deposits at certain rates. Milan is the only district in Italy where insurance against unemployment is practised to any considerable extent.

United States.—In the United States there is less need of provision against unemployment than in many European countries, and little has been effected in this direction. It is stated that only some sixteen trade unions, including branches of some English unions, pay unemployment benefit, and that there is but one large American union—of cigarmakers—which does so.

It is stated in the *Labour Gazette* for December, 1910, from information furnished in the *Bulletin* of the New York State Department of Labour, that in 1909 approximately—

£10,800 was paid in travelling benefit by four unions with 55,300 members; and

£100,800 in unemployed benefit by eight unions with 114,000 members. "The amount spent on unemployed benefit was even then twice as large in 1909 as in 1908."

Germany provides an interesting example of provision against unemployment made through a co-operative society.

A large society of this kind at Hamburg provides that, in certain circumstances, a part of the dividend granted on purchases shall be carried in the name of the purchaser to a special distress fund. Interest is paid on deposits, but withdrawals can only be made in case of distress. One of the express objects of establishing this fund was to help members to provide, among other things, against unemployment. In addition, the society votes yearly a part of its profits to a special fund from which advances can be made to members who are in need and do not possess a special distress fund, or have exhausted the amount which stood to their credit.[1]

This scheme is not one of insurance, but it is interesting as a special form of provision against distress. In all lands, to some extent, workmen have provided against unemployment by private savings, but we are not directly concerned in the present volume with this form of individual effort. The Hamburg scheme is interesting because it is associated with co-operation in other directions.

Having briefly sketched what workmen have accomplished through their own unassisted efforts in the way of insurance against unemployment, we can now proceed to consider the schemes of assisted insurance which have been tried or proposed. The facts which have been stated respecting the extent to which insurance against unemployment is effected by workmen in the United Kingdom show that a large number have already realised the need of making provision, and can justly be proud of what has been so worthily accomplished through their trade unions. The offer of the community to assist insurance would not fall on soil

[1] In 1909 this co-operative society had nearly 42,000 members. Over 15,000 of the members possessed distress funds with a total credit of nearly £26,000. During the year 6,642 members withdrew £8,800; the amount was especially large because of a prolonged lock-out in the building trade.

Special advances, amounting to £340, were made in 1909 to 631 members.

In addition, the co-operative society has a savings bank in which there were over 12,000 accounts at the end of 1909, with a total credit of nearly £220,000.

unprepared to receive the seed; rather it would foster and help forward a tendency already manifested in definite achievement. But though much has already been accomplished, there remains still more to be done, even in this country. It has been estimated that "probably 6,000,000 or 7,000,000 men over 20 years of age belong to the classes from which trade unionists are drawn, but have not yet joined a trade organisation."[1] Only 1,500,000 workers are insured, and even of these many are but meagrely insured. There is thus clear need and ample scope for the growth of insurance.

[1] Report of the Poor Law Commission, Part VI., chap. 4, para. 592

CHAPTER II.

Compulsory Insurance against Unemployment.

The chief advantage of compulsory insurance is that every person is thus bound to make provision, whereas in a voluntary scheme the very persons for whom provision is most necessary are often the least likely to avail themselves of the opportunity. There are other incidental advantages. The cost of administration can be kept lower in certain respects than in a voluntary scheme: contributions can be collected through employers, for instance. And through a system of compulsory insurance, the state can easily keep its finger on the pulse of industry.

Objections to compulsory insurance against unemployment may be raised on the ground, for instance, that it is doubtful whether any scheme can be devised which would not fail to catch large numbers of workmen, workmen of the lower ranks especially, and that it would be extremely difficult to exercise proper check on unemployment; while some may fundamentally object to compulsion unless it can be shown that there is dire need, and sure and great advantages. These and other arguments will be considered at length in the concluding chapter; in the present chapter it is intended mainly to describe schemes of compulsory insurance which have been proposed.

(1) St. Gall.

Compulsory insurance against unemployment has been actually tried at only one place, St. Gall, Switzerland. Mr. Schloss, in this country, has given very full accounts of the scheme and of its operations.[1]

[1] Report to the Board of Trade on Agencies and Methods for dealing with the Unemployed in certain Foreign Countries, by D. F. Schloss, 1904, p. 143. Insurance against Unemployment, by D. F. Schloss, 1909, p. 8.

A law was passed in 1894 in the canton of St. Gall, which authorised any commune to set up a scheme of compulsory insurance against unemployment. Insurance could be made compulsory for all workmen earning not more than 4s. a day, unless they were equally insured otherwise, and could be made optional for persons earning more. The local authority could also make insurance compulsory for women.

Insured members were to pay contributions. Subsidies were to be granted by the local commune and the canton, and a further subsidy was to be obtained, if possible, from the confederation. Gifts could also be received.

The town of St. Gall adopted the scheme of compulsory insurance. It tried to get two neighbouring communes to join. Both ultimately refused. In one especially, the workmen would have nothing to do with the proposal. The scheme was in force in the town of St. Gall for two years. It was then abandoned, mainly at the instance of the better class of workmen.

The scheme was badly conceived and as badly executed. Large numbers of workmen were not insured, although many were fined. Messengers and commissionaires, and postal and telegraph and railway employees, were exempted, the former because it would have been extremely difficult to have verified unemployment in their case, the latter because they were rarely unemployed except through their own fault. It is doubtful whether the law permitted of these exemptions. It was found very difficult to get members to pay their premiums. Many migrated rather than pay.

There was no adequate check of unemployment. Persons drew benefit who had no legal right to it. Workmen who usually at certain seasons left the town for country work now stopped in town and drew benefit. It is said that much of the money received in benefit was spent in the public-houses.

The scheme was administered by the poor law department, and therefore became connected with the poor law in the minds of the people. The officer in charge had a large amount of additional work thrown on his shoulders, but did not receive additional pay.

The better class of workmen, from the beginning suspicious of the scheme, became the more bitterly opposed to it when they saw the abuses which arose. Opposition seems to have been the stronger because employers were not required to contribute. Ultimately the opposition to the scheme and its manifest failure brought it to an early end.

It is unfortunate that it should have been necessary to discard the one scheme of compulsory insurance against unemployment which has actually been put into practice largely because of palpable defects of administration without a fair test of the principles on which it was based.

(2) Zurich.

In 1898 a scheme of compulsory insurance was brought forward in the Town Council of Zurich, with a view to its being brought before the cantonal authorities.

Insurance was to be compulsory on workmen earning less than a certain rate. As at St. Gall, subsidies were to be received from the commune and canton, and, if possible, from the confederation. Employers were to contribute, and the contributions of workmen were to be collected through them. The rates of contributions for the workmen differed according to earnings, but were higher in the building trade. Benefit varied according to earnings and were higher if a person had children dependent on him. The proposed scheme was not carried.

(3) Basle.

The most important proposals regarding compulsory insurance against unemployment yet passed by a legislative body were those made at Basle in 1899. A bill was originally drafted in 1893 with the assistance of Professor G. Adler, one of the principal authorities in Switzerland on the question. After very mature consideration, a bill was ultimately passed through the Great Council in 1899, by forty-six votes to twelve, establishing a compulsory system of insurance against unemployment.

The bill was very carefully drawn up. All wage-earners engaged in factory, building, or earth work, earning less than £72 a year, were to be insured in the state scheme, with certain minor exceptions, unless they were adequately insured otherwise. The rate of contributions varied according to—

(*a*) the occupation and the degree to which it was subject to unemployment;

(*b*) wages earned.

There were four classes in each of these sections. The rates ranged from ¼*d.* to 4¾*d.* a week, and were to be collected through the employer.

Benefit varied according to—

(*a*) wages—there were four classes corresponding to the four classes in rates of contribution;

(*b*) the number of dependants.

This latter consideration was a departure from the strict principles of insurance. Benefit ranged from 6¾*d.* to 1*s.* 7¼*d.* per day. Provision was made for the cases of persons working short time and of "unemployed" persons engaged in bye-employments.

Employers were to contribute 1*d.* per week in respect of workmen in the two groups of occupations in which unemployment was lowest, 2*d.* per week in respect of workmen in the other two groups. The canton was to bear the cost of administration, and was also to pay a subsidy of £1,200 per annum. The amount of the subsidy was fixed the higher in the expectation that the expenditure which had been necessitated in former years for relieving the unemployed would be reduced in consequence of the scheme of insurance. A reserve fund was gradually to be built up. The scheme was to be under the management of a committee, which was to contain representatives of employers and of insured members.

A proposal made in the Great Council that the bill should be submitted to referendum was rejected. But after its passage through the Council, the required number of electors petitioned for the referendum.[1] The bill was therefore

[1] The Great Council is the legislative body of the canton. But any bill passed by the Great Council must be endorsed by the electors on

submitted to the public vote. It was decisively rejected, 5,458 votes being cast against it, and only 1,120 for it. The total electorate numbered over 16,000, so that the number of abstentions was large. It is a remarkable fact, especially having regard to the large majority against the bill, that it was supported by newspapers of all parties.

The opposition came from employers and employed, and, on the whole, it is probable that in this instance at least the decision of the electors was more to the public interest than that of their representatives. Dr. Mangold, the cantonal statistician, who has closely studied the problem in Basle, wrote in 1906: "Each winter in part, the same persons, who form relatively a small proportion of the total number of workmen, become unemployed. What other conclusion is possible, at least provisionally, than that it does not pay to set up for these persons machinery so elaborate as the compulsory scheme of insurance proposed in 1899."[1]

(4) General.

Leaving to be considered lastly the scheme which has been foreshadowed for the United Kingdom, several other suggestions have been made for establishing compulsory schemes of insurance against unemployment. During the last decade of the nineteenth century quite a wave of feeling seems to have passed over Switzerland, Germany, and France in favour of compulsory insurance against unemployment. The stress from unemployment which marked some of the early years of the decade made men quick to run to plausible remedies. In the next decade, the wave subsided to a small ripple. Whether it will rise again, whether the proposals made in this country will once more stir the waters, especially if the proposals issue forth in the full strength of law, remains to be seen.

referendum before it can become law, if the Great Council decides that it shall be so submitted or if not less than 1,000 electors petition for the referendum.

[1] Denkschrift über die Entwicklung der Staatlichen Arbeitslosenfürsorge im Kanton Basel-Stadt, by Dr. F. Mangold, 1906, p. 40.

In Germany the subject has been much discussed. The elaborate report on insurance against unemployment, issued by the Imperial Statistical Office in 1906, poured cold water on compulsory schemes.[1] In the Reichstag in November, 1908, Herr von Bethmann Hollweg, then Minister of the Interior, said that the government had no present intention of introducing compulsory insurance against unemployment, and that he was not aware that any proposals existed which overcame the practical difficulties involved.

Many schemes have been privately suggested. The imposing structures of compulsory insurance which already exist in Germany have naturally suggested thoughts that insurance against unemployment should be joined on to them. Some recommend that such insurance should be worked with the present institutions for sick insurance, while others consider the institutions for insurance against invalidity and old age more suitable.

It has also been suggested that option should be granted to the communes to make insurance compulsory within their areas.[2] A proposal to this effect was made so far back as 1899 by the "People's Party," and has been renewed in other quarters in recent years. It is advocated in a report on insurance against unemployment made by the Statistical Office of the town of Magdeburg in 1908. In the succeeding year the town of Düsseldorf decided to press for an Imperial law enabling communes to establish compulsory insurance. The giving of power to communes to make insurance compulsory is also recommended as worthy of consideration in a report made to the Baden government in 1909, while in a report made by Dr. Dominicus, one of the assistant burgomasters of Strassburg, on the operations for 1909 of the scheme in force in that town for assisting insurance, it is suggested that it is desirable to make insurance obligatory on workers in the building trades when it is not possible to

[1] The conclusions of this report are given in the appendix, p. 289.

[2] A commune is similar to the English parish, and, as in the case of the latter, may be a thinly populated rural area or a large, thickly populated, urban district.

provide adequate relief work of a suitable kind in times of winter slackness.

Dr. Freund, president of the district insurance office against invalidity and old age at Berlin, who is also president of the German national association of labour exchanges and one of the originators of the Berlin labour exchange, has advocated that compulsory insurance should be worked in conjunction with labour exchanges. In this respect he anticipates the scheme foreshadowed for this country. It is proposed in Dr. Freund's scheme that the necessary contributions for insurance should be paid half by the workers insured and half by the employers, and that a higher rate of benefit should be given when the recipient has children dependent on him.

One of the most interesting proposals made in Germany, not only because of the high source from which it issues, but also because of the principles on which it is based, is the scheme suggested by Dr. Zacher, formerly an official of the Imperial Insurance Office. He considers that unemployment due to strictly industrial causes is a risk analogous to that of industrial accident. In Germany, employers have to form themselves into associations, and have themselves to provide the premiums, to secure to their workmen insurance against industrial accidents. Use the same associations, with contributions only from the employers, recommends Dr. Zacher, for unemployment due strictly to industrial causes, as distinguished from unemployment due to personal causes, and excluding also seasonal unemployment, which he does not consider to be strictly a matter for insurance. Unemployment of purely industrial origin, he contends, which is "an inevitable consequence of capitalist production, can only be mitigated—perhaps it can be suppressed—by an insurance of which the contributions are paid by the masters of industry. Any different system which tends to burden other shoulders with the cost of insurance against unemployment is illogical." Apart from questions of principle, the great practical difficulties of such a scheme are obvious.

These and other proposals for compulsory insurance

which have been put forward in Germany have up to the present borne no fruit in legislation.

In France, also, many proposals have been made. In 1903 the question was fully considered by the Conseil supérieur du travail. The Conseil pronounced against compulsory insurance. In the course of the inquiry, the probable cost of compulsory insurance was considered, and, assuming that the state provided a fourth of the necessary contribution, and allowing for restrictions as to the period of benefit, it was estimated that the cost would exceed £1,500,000. The government did not embark on compulsory insurance, and contented themselves with subsidising insurance effected through voluntary organisations.

In Switzerland some schemes were put forward in addition to those which have been described. None were adopted. In Norway and Denmark laws were passed in 1906 and 1907 respectively, providing for governmental assistance to insurance against unemployment. In both countries the laws were passed after inquiries had been made into the subject. In neither country was compulsory insurance adopted.

So far as can be gathered, the attitude of the workman on the continent towards compulsory insurance against unemployment is generally one of suspicion. He begrudges the compulsory contribution, and fears that he would be mulcted to provide benefit for less competent or less deserving members of his class.

(5) The United Kingdom.

The scheme foreshadowed for the United Kingdom is the most extensive which has yet been authoritatively proposed. As particulars of this scheme have not been officially published, information has to be gleaned from reports of speeches and of interviews, and it seems doubtful whether all the details are correct, or, if correct at the time when reported, whether they will not be considerably

modified when the bill emerges complete from its shell. With this reserve, it will be interesting to consider what are stated to be the measures which are proposed.

Insurance in a state scheme is to be made compulsory for all workmen employed in certain trades—the building trade, construction works generally, shipbuilding, engineering, and vehicle making. These trades appear to have been chosen because in them unemployment is most severe. Some two and a half million workmen are employed in them, about one-third of the total engaged in industrial occupations, or about a half if occupations in which there is little unemployment and occupations, such as the coal-mining and textile trades, in which slackness is met by working short time, be excluded.[1]

Contributions will differ in the several trades according to the risk of unemployment. They are to be made by the workmen insured, by their employers, and by the state; and if all these contribute equally, the weekly amount to be required of each will be about *2d.* or *2½d.* The contributions of the workmen will be collected through the employer. The state will bear the cost of administration, and it is estimated that the annual charge to the state in cost of administration and of contribution will be some £1,500,000.

Benefit is to be at the rate of about *7s.* or *8s.* a week. It is to be granted for a limited time, probably not more than fifteen weeks in one year, or twenty weeks if the benefit is at a lower rate. A person will have to pay contributions for eight months before he becomes entitled to benefit. A member who exhausts his limit of benefit in any one year will have to contribute for a longer period before he becomes entitled to benefit in the next. If he again exhausts his benefit in the following year, he will have to contribute for a still longer period, and so on, the contributory period progressively rising to the extent that benefit is exhausted.

[1] The Chancellor of the Exchequer has since stated, in replying on July 14th, 1910, to a question in the House of Commons, that the scheme is to cover over three million workers.

It is hoped thus to weed out the chronically unemployed. The scheme is to be worked in conjunction with the labour exchanges. Unemployed members must take work offered to them through the exchange on penalty of forfeiting their claim to benefit if they cannot satisfy the committee of the exchange that their refusal is justified. This committee will contain representatives of employers and workmen.

Workmen and associations other than those in the scheduled trades may join the scheme of insurance, but apparently not on such favourable terms as those for whom insurance is compulsory.

It is not clear to what extent, if any, it is proposed that the scheme shall be worked through trade unions. The attitude of the unions will obviously be an important factor.

In a report by Messrs. Barnes and Henderson, published in the early part of 1909, these labour leaders, after a visit of inquiry to Germany, came to the conclusion "that inasmuch as the German schemes of insurance for unemployment are only in the experimental stage, and having regard to their obvious limitations, they cannot be recommended for adoption in this country with much confidence. In so far as we would venture an opinion, the scheme operating in Strasburg [by which subsidy is paid on insurance effected through trade unions: the scheme is described later, p. 194] commends itself most to our judgment."[1] In the Trade Unions Congress, held in September, 1909, Mr. Shackleton, as president, spoke in favour of the scheme foreshadowed by the Liberal government. The parliamentary committee of the Congress reported in support of the scheme, and pronounced it to be "bold and comprehensive," and the Congress adopted the report. The same Congress rejected a proposal that the government should be asked to grant a subsidy to trade unions in respect of unemployment benefit provided by them. It therefore seems that the trade unions will be prepared to give

[1] Unemployment in Germany, by G. N. Barnes, M.P., and A. Henderson, M.P., p. 16.

sympathetic consideration to a scheme prepared by the government.[1]

[1] Later indications go to show that any scheme which is proposed will provide for co-operation in some form with the trade unions which provide unemployment benefit. It is interesting to note that Sir H. Llewellyn Smith, in his address given in September, 1910, before the Economic Section of the British Association, stated, as one of "the essential characteristics of any unemployment insurance scheme" that "the scheme must not act as a discouragement to voluntary provision for unemployment, and for that purpose some well-devised plan of co-operation is essential between the state organisation and the voluntary associations which at present provide unemployment benefit for their members" (*Economic Journal*, December, 1910, p. 528).

At a conference organised by the parliamentary committee of the Trade Unions Congress, held in November, 1910, and attended by representatives of most of the unions affiliated to the Congress, a recommendation was proposed "That in any scheme of state insurance against unemployment trade unions paying unemployed benefit shall be subsidised." Mr. Shackleton "explained that what the Parliamentary Committee wanted to secure was that, if the trades in a particular set of industries were organised, out-of-work pay due from the state should be paid through the unions." Ultimately "an amendment was carried in favour of the state insurance being paid through the trade unions, whether they paid out-of-work benefit or not" (*Times*, November 10th, 1910).

Note (March, 1911).—Recent references in the press indicate that the scheme of the government may differ considerably from that previously foreshadowed.

CHAPTER III.

Provided Voluntary Schemes.

A broad distinction may be drawn between—

(1) a scheme of insurance established and maintained, partly or wholly, by a body other than the persons who are insured—by a governmental authority or a group of philanthropic persons, for instance; and

(2) a scheme of insurance established and maintained by the workmen themselves.

For convenience of reference, I propose to designate schemes of the former kind as provided schemes, since they are provided by some body other than the workers insured, and schemes of the latter kind as autonomous, since they are managed by the insured themselves. In a provided scheme, the insurance as a rule is open to workers generally and is not confined to any particular trade or trades. In an autonomous scheme, the insurance is generally confined to a particular trade or to a number of allied trades; such insurance is almost exclusively effected through trade unions.

There are several instances of provided schemes: at Cologne and Berne there are schemes of the kind which are provided by the municipalities. Of assistance to autonomous schemes of insurance, Belgium and Denmark provide the best examples, but the practice also obtains in several other countries.

Provided schemes of insurance have the advantage of offering means for making provision against unemployment to persons who might otherwise have difficulty in making provision and might become, in time of need, a charge on the community—a charge possibly to a much larger extent than the assistance given towards insurance. On the other hand, only a limited number of workmen will probably be attracted

to such schemes. Obviously a man who is not likely to require assistance frequently or to a large extent will not willingly join in common liability with others who may be frequently unemployed, and who therefore will draw largely on the funds available. There is risk that only those who are much subject to unemployment will join, and that the scheme will become a pool of "bad risks." The experience of the schemes which have been tried confirms this.

The two most important schemes in operation limit the payment of benefit to the winter months. This further restricts the classes of workmen who join the funds to those who are subject to much unemployment during that season—that is, in large measure, to workmen connected with the building trades.

There are many difficulties in the management of a provided scheme. The adequate checking of unemployment to prevent fraud is not easy. There is difficulty in fixing the rate of contribution. The scheme being voluntary, the rates must not be too high, or members will not be attracted, while, on the other hand, if they are very low, the scheme becomes a measure of relief or a charity rather than an insurance. In these particulars also, experience emphasises the difficulties to be met.

The principal maintained schemes which have been tried are those at Berne and Cologne. At Basle a scheme has been tried similar in many respects to those at Berne and Cologne, but maintained by a private society, though liberally subsidised by the canton. Schemes of a similar nature, but with important points of difference in some of the cases, have been tried at Bologna, Venice, Geneva, and Leipsic. Lately, also, a scheme on a small scale has been established at Haslemere, Surrey.

I propose to deal fully with the scheme at Cologne, as the largest and best organised of its kind, and then to describe more summarily the organisation and results of the other similar schemes which have been tried.

CHAPTER IV.

Cologne.

Unemployment during winter has been a recurrent trouble in many German towns, and considerable provision has been made by several municipalities to meet it. In 1896 the municipality of Cologne, a town with over 460,000 inhabitants, started a fund for insurance against unemployment, which still continues in existence. Any able-bodied workman may be insured in the fund who is over eighteen years of age, has lived in Cologne for a year (originally the period was two years), and follows a definite occupation. Casual labourers are excluded, as also are women. The requirement that members must follow a definite occupation and the exclusion of casual labourers date from 1903.

The rates of contribution for insured members are at present approximately $5\frac{1}{2}d.$ a week for skilled workmen and $4\frac{1}{4}d.$ a week for unskilled. The rates have been raised three times. At first the same rate, $3d.$ a week, was paid by skilled and unskilled workmen. It is found easier to secure work for the unskilled during the winter months when benefit is paid, and their rate of contribution is therefore now lower than that for skilled workmen. Members who are four weeks in arrear with their contributions lose their claim on the fund. Contributions may be repaid i a member becomes unable to work or dies before he has acquired a right to benefit in case of unemployment.

In addition to the contributions of insured members the fund derives revenue from—

(*a*) donations from patrons—persons who have made donations of at least £15;

(*b*) subscriptions from honorary members—persons who annually subscribe not less than 5*s.*; and

(*c*) grants from the municipality.

(*d*) Gifts are also accepted, in addition to the payments of patrons and honorary members.

A member must pay contributions for thirty-four weeks (at first only twenty-six) in a year to be entitled to benefit in that year. Benefit is paid only in respect of involuntary unemployment due strictly to want of work during the winter months, from December 1 to March 1 inclusive: it is not paid when the unemployment is due to a strike or a lock-out, or to sickness or other incapacity to work. It cannot be received by a member for more than forty-eight days within a financial year, and is at the rate of 2*s.* a day for the first twenty days, and 1*s.* a day for the remaining twenty-eight. A lower rate of benefit was formerly paid to unmarried than to married men. Benefit begins with the third (formerly sixth) day after unemployment is notified. A member who has received three-fourths of the maximum benefit (51*s.*) in two successive years can receive the 1*s.* a day for only fourteen days instead of the twenty-eight.

The fund is worked in close connection with the labour exchange. Unemployed members must report themselves twice daily at the exchange if they wish to claim benefit. Formerly a member claiming benefit had to accept any employment offered him through the exchange, which was directed, however, so far as it could, to offer work suited to each man's capacity. Now he is only required to accept work if it is reasonable in kind and wage. The right to benefit is forfeited if such work is not accepted. Single men without dependants may be required to take work away from Cologne on payment of their train fare. Members cannot be compelled to accept vacancies which are due to a trade dispute.

The management of the fund is in the hands of three bodies, with the head burgomaster[1]:—

(*a*) A committee consisting of twelve representatives of the insured members, chosen by them, and the manager

[1] The burgomaster holds a position in some respects similar to that of an English mayor and town clerk combined. He is a paid official, is elected for a term of years, and is the head of the municipal executive.

of the fund. This committee assists in the details of administration. It decides, subject to the right of appeal to the committee of management, whether contributions may rightly be returned, and, in cases of dispute, whether the unemployment of a member is such as entitles him to benefit. The manager of the fund is a paid official.

(*b*) The committee of management, which consists of the head burgomaster or his representative, the president of the labour exchange, twelve patrons or honorary members, and the twelve representatives of insured members. Of the twelve patrons or honorary members, six must be employers; the remaining six may be employers or employees. They are chosen annually by the patrons and honorary members of the fund, each patron having one vote for every £15 of donation, but not more than ten votes in all; and each honorary member one vote. This committee has the general oversight of the business of the fund.

(*c*) The general meeting, in which patrons, honorary members, and insured members, as well as the head burgomaster or his representative and the president of the labour exchange, may participate. This general meeting has a large measure of control, except that its powers in some directions are hedged round with restrictions. Thus the regulations can only be changed provided that the amendment is passed at a special general meeting by two-thirds of the insured members and by two-thirds of the other persons who may participate in the meeting, these two groups voting separately, and even then the amendment does not come into force until it receives the approval of the president of the province.[1] The fund can only be abolished if the proposal is passed at two successive special general meetings, and if, on each occasion, three-fourths of the insured and three-fourths of the

[1] He is the principal official of the Prussian district in which Cologne is situated, and is appointed by the Prussian government.

other members, each group voting separately, decide for abolition. Any property belonging to the fund at the time of abolition goes to the municipality.

(*d*) In addition, the head burgomaster has the right to veto proposals made by the committee of management and the general meeting, subject to a right of appeal to the president of the province.

To secure the solvency of the fund there is a rule that more insurances must not be undertaken when the total possible maximum claim on the fund reaches two-thirds of the assets, including any municipal subsidy which may be due, meaning by total possible maximum claim the claim on the fund if all members were simultaneously so circumstanced as to claim the maximum benefit to which they might be entitled under the regulations. This rule has been put into force twice, in 1901—2 and in 1902—3, and apart from other causes will prevent the development of the fund much beyond its present limits. If the fund continues to exist it seems not unlikely that the municipal subsidy will be increased.

Operations.

Detailed statistics as to the operations of the fund are given in Tables III. and IV. in the appendix, pp. 307—8 :—

Table III. gives particulars of the operations of the fund since its inception ; and

Table IV. particulars of the distribution of benefit to members in the year 1908—9.

Membership.—The highest number of insured members at the close of any year was 1,787 in 1908—9.[1] This is but a small membership for a town of the size of Cologne, which has some 120,000 workpeople, and of these little more than 15,000 are insured against unemployment in trade unions. In the year 1908—9, 2,016 persons applied for membership ; fifty-nine were not eligible, and of those accepted, 170 dropped

[1] In the year 1909—10 the number rose to 1,811, but appears to have fallen again for the current year (1910—11).

out through failure to pay contributions, deaths, etc.: the proportion of persons who dropped out was therefore large. There has been little increase in membership since 1903—04, and it would seem that the fund has almost exhausted the class of persons to which it is likely to appeal as at present constituted. As might be expected, the members are drawn from workmen who are much subject to unemployment in winter. Of the number (1,787) belonging to the fund in 1908—9,

70 per cent. were skilled workmen connected with the building trade;

3 per cent., skilled workmen in other trades;

27 per cent., labourers, many of these also no doubt being connected with the building trade.

The fund is thus in large measure simply a special provision for workmen in the building trade. It is a striking commentary on this fact that Dr. Zacher, to whom reference has already been made, and M. Varlez, the foremost European authority on insurance against unemployment, consider that seasonal unemployment, in so far as it is a normal incident of a trade, cannot properly be regarded as a subject for insurance.

The majority of members are in the prime of life. Of the total number who took out policies during 1908—9, 88 per cent. were not over fifty, and less than 2 per cent. were sixty-one years of age and over.

Unemployment.—The percentage of members who become unemployed is very high:—

In one year the percentage was 51 per cent.						
In two years	,,	,,	from 60 to 69 per cent.			
In four	,,	,,	,,	,,	70 ,, 79	,,
In six	,,	,,	,,	,,	80 ,, 85	,,

In each of the last three years, 1906—9, the percentage has exceeded 80 per cent.[1] Clearly the fund for the most part catches "bad risks."

The average number of days of unemployment for which

[1] In the year 1909—10 the percentage of unemployed was 72 per cent.

benefit was paid, per insured member who received benefit, was twenty-one. The particulars given later respecting benefit paid will give information as to the distribution of unemployment.

Contributions.—Contributions from insured members provide, on the average, less than half of the amount expended in benefit.

In one year the contributions amounted to				24	per cent.	of the benefit.
In nine years	„	„ from	40 to	50	„	„
In two years	„	„ „	60 „	80	„	„
In one year	„	„ to		92	„	„

On the average, during the years 1896—1909 the contributions amounted to 47 per cent. of the benefits. "These men draw, of course, more than they pay in, and the organisation is therefore less an insurance institution than one of disguised philanthropy for which employers, honorary members, and the city furnish the means":[1] this is perhaps too drastic a judgment, but clearly the assistance given is very large, and it has to be remembered that the cost of administration must also be taken into account; and, as will be explained later, there is still a further source of assistance.

Of the total receipts for the year 1908—9 (over £2,700), £1,330 (approximately) was obtained from the contributions of members, £1,000 from the municipality, £120 from honorary members, and £320 from interest on money in hand.

The municipality has annually contributed £1,000 since the year 1902—3. Donations and subscriptions amounted at first to a large sum—the scheme was started largely on private gifts, over £3,500 being so paid in the first year—but they now form only a small part of the total receipts. They have progressively fallen, and the tendency has been to throw a larger share of the burden on the municipality.

On March 31st, 1909, the fund had in hand a balance of over £6,000. As previously stated, it cannot expand much beyond its present membership without still larger grants

[1] Bulletin of the Bureau of Labour, U.S.A., No. 76, May, 1908, p. 838.

or donations in aid, having regard to the rule that new insurances must not be undertaken when the assets do not exceed two-thirds of the total possible liabilities.

Benefit.—The amount of benefit paid per day of unemployment per member who received benefit has varied during the years 1896 to 1909 from 1*s.* 6*d.* to 1*s.* 9½*d.* The average paid per unemployed person in 1908—9 was 1*s.* 7½*d.* the day. The total sums received by the several unemployed members differed considerably. In the year 1908, of the 1,433 persons to whom benefit was paid,

239 received not more than 20*s.*
287 „ from 21*s.* to 40*s.*
621 „ from 41*s.* to 60*s.*
286 „ 61*s.* or more.

Of the 286 who received 61*s.* or more, 164 received the maximum amount of 68*s.* Fifty-three members out of the total 1,433 had their benefit curtailed because in the previous two years they had received three-fourths or more of their limit of benefit. Of the total amount paid out in benefit (£3,100),

72 per cent. went to skilled workmen connected with the building trade;
2 „ „ to other skilled workmen;
26 „ „ to unskilled workmen.

Work Found.—The co-operation of the insurance fund with the labour exchange has important consequences. As already stated, unemployed members have to report themselves at the labour exchange. The first aim of the scheme is to find work for its unemployed members, not to pay benefit. Preference is given at the labour exchange to insured persons in filling vacancies. Thus if a job is vacant and two suitable men apply, one of whom is a member of the insurance fund and the other not, preference will be given to the former. A large amount of temporary work is found for unemployed members. In 1908—9 temporary work for 24,900 days in all was found for 1,159 insured members. The

number of days for which benefit was paid was 38,000. The figures for the whole period from 1896 to 1909 are even more striking :—

Number of days for which temporary work found . 210,900 ;
Number of days for which benefit paid . . 208,700.

Thus, had it not been for the temporary work found for members who were unemployed, the charges on the fund would have been more than doubled.

It is manifest that decision as to the measure of success achieved by the Cologne scheme must depend largely on the nature of the work found for members who become unemployed. Unfortunately not many particulars are given respecting this matter. The municipality systematically provides relief work for persons unemployed during the winter, and in the winter of 1908—9 work so provided cost the municipality in all nearly £10,000 over and above what it would have been necessary to spend had the work been done under ordinary contract conditions. In the report on the insurance scheme for the year ended March, 1909, it is stated: "For our success in finding work to so large an extent for our unemployed who are insured we have to be grateful not only for the fact that our fund is associated with the labour exchange, which has again this winter been very advantageous, but also for the praiseworthy measures taken by officials, and especially by the administration of the town, which has so substantially assisted us in our endeavours." One would infer from this that considerable employment had been given to insured members by the municipality. But it is stated in the report on the relief work for the winter of 1908—9 that only fifty-two members of the insurance fund were employed on relief work,[1] so that the assistance from this source was not large. It is possible that some insured persons were employed by the municipality other than on what was expressly relief work. It would be useful to know also how many of the insured men obtained their

[1] The number for 1909—10 was 102. The excess cost to the municipality of relief work in that winter was over £7,000.

employment by reason of preference being given to them at the labour exchange because they were insured, and to what extent this preference compelled other workmen, who were unemployed and not insured, to resort to the relief works for aid. Clearly the total cost of the scheme to the municipality and judgment as to its value cannot confidently be pronounced until more is known respecting this matter. But one fact emerges very clearly—without some special facilities for finding work for the insured members who become unemployed, a scheme of this kind is not likely to prosper.

Proposed amendments.—Certain changes in the present scheme have been suggested, at the instance of Dr. Fuchs, the assistant burgomaster who has charge of the municipal activities in regard to the unemployed and who has given very close attention to the question of insurance. The proposals are mainly to the following effect :—

(*a*) That benefit should be paid at all seasons of the year and not be restricted to the winter-time as at present. The existing restriction keeps away from the insurance fund those persons whose unemployment generally falls other than in winter.

(*b*) That contributions should be graded for the different occupations according to the risk of unemployment. At present there are only two rates, one for skilled and the other for unskilled workmen. Only those persons therefore tend to be attracted in whose trades unemployment is high.

(*c*) That a person who has been a member of the fund for a number of years and has not made any claims on the fund should receive back a certain proportion of his contributions. This is a bait for a man in steady employment who may fall out of work at any time and therefore needs some security against distress, but who probably will not require to call upon that security.

(*d*) The most important proposal is that which relates to the workman who is already insured in his trade union. The Ghent system, which will be fully described in later

pages, works mainly through trade unions, a subsidy being paid on insurance effected through them. Under the Cologne scheme nothing is done for the workman insured in his trade union, and this is felt to be a defect, especially in view of the success which has attended the Ghent system in many districts.

But it is considered that the Ghent system is radically defective in that it does not provide for the unorganised workman. In Cologne, for instance, of its 120,000 workmen, less than 24,000 are members of trade unions, and of these little more than 15,000—less than 13 per cent. of the total number of workmen—are insured against unemployment in their unions.

How to combine the Cologne system with the Ghent, without giving the organised workmen an undue preference? That is the question which the Cologne authorities have to solve—to solve also, probably, while bearing in mind that many German employers have strong objections to the Ghent system on the ground that it would foster the growth of trade unions.

The proposal which has been made is that while the workmen's organisations should continue to undertake the insurance, it should be open to the organisations to re-insure part of their liabilities with the municipal insurance fund. Under the scheme proposed, a trade union would pay a certain weekly premium in respect of each member who was re-insured, and, in case of having to pay benefit to that member within the terms laid down by the regulations of the municipal insurance fund, would receive from that fund a certain part of the total benefit paid. It is recommended that there should be four classes of premiums, graded according to the risk of unemployment, as in the case of persons directly insured in the fund, and also that, following the proposals made with regard to the latter, if a member of a workmen's organisation has been a "re-insured" member of the municipal fund for a long period without claiming benefit, the organisation

should be entitled to have repaid to it a part of the premiums.

The proposals are interesting. They show a clear recognition of the need of helping the organised workman, and are an approximation to the schemes of assisting autonomous organisations, to be described later. But they are wanting in simplicity and directness, and it seems open to question whether they will meet with a ready response from the trade unions. If it is desired to assist the latter in their work of providing insurance, it seems better to give the assistance directly. Under the Cologne scheme, in which a trade union would pay a certain premium in respect of its members and then be entitled to receive benefit, a trade union would not be sure what amount of assistance its members were likely to receive—would not be sure, apparently, whether they would receive any financial assistance at all.

Since the foregoing was written, the report of the operations of the fund for the year ended March 31, 1910, has been published. The following are the principal details :—

1,938 persons were insured. Of these
1,392 were skilled workmen ;
546 unskilled.

127 of the insured persons fell out of membership during the year.

Of the remaining 1,811 ; 1,295 (72 per cent.) were reported as unemployed.

Of the 1,295—
23 lost their claim to benefit because they gave false information ;
121 obtained permanent work during their "waiting period" ;
1,007 obtained temporary work (for 24,398 days) ;
144 (the remainder) were not found work.

Benefit was paid for 25,284 days to 1,162 persons to a total amount of £2,124, an average of 36*s.* 6*d.* per person assisted.

£540 was paid to 307 unskilled workmen (average, 35*s.* 2*d.* per person) ;

£1,583 was paid to 855 skilled workmen (average, 37*s.* per person).

Of the total receipts—
£1,327 came from the contributions of members (this was equivalent to 63 per cent. of the amount paid in benefit) ;
£1,000 came from the municipality.

The assets of the fund on March 31, 1910, amounted to £6,566.

CHAPTER V.

Other Provided Schemes.

(1) Berne.

A scheme of insurance was started by the Berne League of Manual Workers in 1892. The assistance of the municipality was sought, but the town council was not prepared to subsidise the scheme of the League, and instead decided to establish a municipal fund. This came into operation in April, 1893, and was the first municipal venture of its kind. In its main outlines it is very similar to that at Cologne. It is run in conjunction with the labour exchange, and the same committee has charge of both. This committee contains representatives of the town council, of employers, and of workmen.

The scheme is restricted to able-bodied Swiss citizens not over sixty years of age residing at Berne.[1] The same rate of contribution is paid by skilled and by unskilled workmen. The rate has been twice raised, but is still low, being less than 2*d.* a week.

Benefit is paid only in respect of unemployment during the winter months. It can only be obtained if contributions have been paid for eight months and provided also that the member has been at work for wages for at least six months within the year previous to his unemployment. This last condition was introduced in 1897 because the fund was being abused by work-shirkers who found that, under the conditions which then obtained, by paying contributions amounting to only 2*s.* 4¾*d.* they could acquire a claim in

[1] But at least one class of workers—wood-choppers, whose employment is very irregular—are not admitted (Schloss, Insurance against Unemployment, p. 22).

case of unemployment to a maximum benefit of 72s., or, if they had dependants, 96s.

The number of members has never been large, and at the end of the year 1908—9 was only a little over 500. The fund shows no sign of expansion.

More than half the members are unskilled workmen, in contrast to what obtains at Cologne, where the larger number of members are skilled workmen. But, as at Cologne, most of the members are connected with the building trades. An age limit to membership was not fixed at first. But it was found that elderly persons were an exceptionally heavy drain on the fund, and in 1900 it was decided that persons over sixty should not in future be accepted as members. Forty-nine persons over sixty were still members in 1908—9, and of these thirty-six were unemployed during the year. In 1900, workmen in municipal employment of the class for which the fund was intended were compelled to join. This compulsion was removed in 1903. The number of persons who drop out of the scheme, most because of failure to pay contributions apparently, is large.

Some consider that the insurance should be made compulsory on workmen generally, and proposals to this effect have been made, but without avail. Workmen of the better class have been opposed to compulsory insurance. Trade unions are not favourably disposed even to the present municipal scheme.

The contributions of insured members provide only a small part of the expenses of the fund. Out of the total receipts of £750 in the year 1908—9, only £160 was derived from this source. During the same year £660 was paid in benefit, so that the amount paid to unemployed members was more than four times as much as was received in contributions from all the insured members. Clearly the scheme is one of relief rather than of insurance.

The larger part of the resources of the fund comes from the municipality, which, since 1899, has annually contributed £480. For the year 1908—9 the amount contributed by the municipality was approximately three times as much as was

received in contributions from insured members. As at Cologne, donations and subscriptions from employers and others have diminished in later years.

The proportion of members who receive benefit is high. During the period from 1893 to 1909—

In 2 years from	38	per cent.	to	39	per cent.		
„ 5 „	„	40	„	„ 49	„	}	of the members were unemployed.
„ 4 „	„	50	„	„ 59	„		
„ 5 „	„	60	„	„ 69	„		

The average annual benefit paid per unemployed person during these years was 35s. Difficulty has been found in checking the unemployment of home workers.

The subsidy from the municipality does not represent the full measure of assistance given, for, as at Cologne, preference is given to insured members in work found through the labour exchange. This preference is the more valuable in that any new workmen required for work which is being done for the municipality, whether done directly by the municipal authorities or through contractors, have to be engaged through the labour exchange. Further, the municipality postpones work for the time of winter slackness, and it seems probable that part of the employment found for unemployed members of the insurance fund partakes of the nature of relief work. It is provided in the regulations that "The administration of the insurance fund shall endeavour, in conjunction with the town officials, to find employment for members of the fund who are out of work. For this purpose the municipal building department shall provide for the carrying out of reserved work, whenever convenient, during the winter time, and by unemployed members of the insurance fund"—a significant provision.

Amendments have been proposed in the scheme as at present constituted. It has been recommended—

(*a*) That benefit be paid at any time during the year, instead of in the winter months only, with certain special restrictions on benefit paid other than during the latter period. As at Cologne, it is hoped thus to attract workmen whose unemployment usually falls other than in winter.

(*b*) That the rates of contribution and of benefit be raised.

(*c*) That different rates be fixed for skilled and unskilled workmen, the rates for the former to be higher. The different rates of benefit for persons with, and for persons without, dependants are to be retained.

STATISTICAL TABLES IN THE APPENDIX (pp. 309—10).

Table V.—Operations of the fund from 1893 to 1909.
Table VI.—Occupations of the members of the fund, year 1908—9.

SUMMARY OF DETAILS.

Administration.—The insurance fund and the labour exchange are administered by a committee of nine members, three each being chosen by the communal council, employers and workmen. The members hold office for four years. The insurance fund is under the more immediate direction of a sub-committee of three members, chosen annually from and by the main committee. Unemployed members choose two delegates to verify that benefit is paid only in accordance with the regulations.

Disputes are settled by the trade tribunal of Berne. But apparently it rests with the committee of management to decide whether work offered, with forfeit of benefit as penalty of refusal, is reasonable. The work need not necessarily be in the same employment as is usually followed by the unemployed person.

Rate of Contributions.—At first was 3¾*d.* the month; later raised to 4¾*d.* the month; since 1900, 6¾*d.* the month.

Rates of Benefit.—Fixed monthly by the committee, but not to exceed 1*s.* 2½*d.* a day per person without dependants, and 1*s.* 7¼*d.* for persons with dependants. Prior to 1900, the maximum rates were 9½*d.* and 1*s.* 2½*d.* respectively. Benefit paid only in respect of unemployment in months of December, January, and February. Not to be received for more than sixty days in a year. No benefit for first week of unemployment. Rates paid in 1908—9 were: for persons with dependants,

for first 30 days, 1*s.* 7¼*d.* a day,
for rest of period, 1*s.* 2½*d.* a day;

for persons without dependants, 1*s.* 2½*d.* and 7¾*d.* respectively.

Operations during 1908—9:—

Number of members		520
Number who received benefit		320
(62 per cent. of total membership)		
Receipts—from insured members	£162	
„ municipality	480	
„ employers (voluntary contributions)	34	
various, including interest	78	
Total		£754
Benefit paid		£659

(average of 41*s.* 2*d.* per member who received benefit)

Contributions of insured members came to 25 per cent. of benefit paid.

Of the 520 members—
55 per cent. were labourers,
36 per cent. were skilled workmen connected with the building trade,
8 per cent. were skilled workmen connected with other trades.

Ages of Members and Unemployed, Year, 1908—9.

Age.	Number at the several ages.			
	Members.	Members unemployed.		
		Total.	Percentage of No. in age-group.	Percentage of total unemployed.
			Per cent.	Per cent.
Under 50 . .	369	214	58	67
50—60 . . .	102	70	70	22
60—70 . . .	42	28	70	8½
Over 70 . .	7*	8*	90	2½
Total . .	520	320	62	100

* These are the figures given in the report.

(2) Basle.

In 1901, a year after the rejection of the proposed scheme of compulsory insurance, a private insurance fund was established by the Labour Federation at Basle.[1] The federation is composed of trade unions, but any workman—or workwoman—could join the fund, provided that he had lived and worked in Basle for at least three months and was not over

[1] Already, so far back as 1789, a special assistance fund had been established for laceworkers, etc., in Basle. A percentage of the wages of workmen was deducted by the employers for the maintenance of the fund. Assistance was only given when the price of grain reached a certain height. The fund did not apparently find favour with the workmen. They had no voice in its management. Employers did not themselves contribute. Although it is said that in 1792 there were 2,400 workers in need, no assistance was given under the regulations of the fund. When the revolution came in Basle the workmen took the opportunity to get the fund dissolved (in 1798) and to share the accumulated resources of nearly £6,400 between those who had paid contributions (Dr. Mangold, Denkschrift über die Entwicklung der Staatlichen Arbeitslosenfürsorge im Kanton Basel-Stadt, 1906, p. 6).

fifty-five years of age. The founders of the fund had in mind not only the need of provision for the unemployed, but also of protection for the employed, lest their wages should be depressed through the competition of those who were out of work.

The scheme at Basle was very similar to those at Cologne and Berne, except that it was run by a private society. The persons who joined the fund were principally season-workers, especially those connected with the building trade, who were subject to much unemployment during the winter. Members not very subject to unemployment, some of whom joined out of sympathy with the general idea more than for private benefit, became fewer and fewer, especially in the later years when contributions had to be raised and depression of trade and increased cost of living made it necessary to economise. Liberal support was received from the canton and from private firms and persons, especially the Co-operative Society of Basle, but it soon became clear that the fund had little chance of success. It was hoped to keep it going at least until the municipal fund, which is described later (p. 131), was established, but even this was found impossible; and at a general assembly held in February, 1909, it was decided to abandon the scheme. The experience is interesting as confirming similar endeavours that any such scheme of general insurance is in grave danger of being overrun by "bad risks," by persons subject to much unemployment, and that it cannot be maintained except either with a very large amount of assistance or with some special means of providing the unemployed with work. The following are some of the principal facts respecting the operations of the fund: further details will be found at the close of this section.

The fund had nearly 1,200 members in 1902—3, but in 1908—9 the number had fallen to 240. The comparatively high numbers of the earlier years were in large measure fictitious, for great difficulty was found in getting members to pay their contributions, and large numbers lapsed for this reason. In the year 1903—4 a new regulation was made that members who were more than six months in arrear with

their contributions should be expelled. This was liberal grace, but in the next year over 270 members were struck off the roll under this rule.

As at Berne and Cologne, a very large proportion of the members were connected with the building trade. Thus in 1904—5 persons connected with the building trade formed

68 per cent. of the total number of members,
88 per cent. of those who were unemployed, and
95 per cent. of those who exhausted their limit of benefit.

So that the building trade not only provided a large quota of the members, but also workmen connected with this trade were a relatively heavy charge on the fund.

There were three rates of contribution, graded according to the wages earned, but not according to the occupation and its risk of unemployment. The same rate of benefit was paid to members with, as to members without, dependants. A person was not entitled to benefit unless he had been a member for at least six months, and had been at work for four of the six months preceding his unemployment. This latter condition, like the similar one at Berne, was introduced because the fund was being abused by the work-shy.

The amount paid in benefit in the year 1907—8 (£246) exceeded the receipts by nearly £20, and was more than three times the total sum paid by the insured in contributions; while in 1908—9, which was an exceptional year because it became clear that the fund must be closed and a special grant was received from the canton, the benefit paid was more than four times the amount received in contributions from insured members. As Dr. Mangold, the cantonal statistician, wrote—"The fund is . . . . of the nature of an institution for relief rather than for insurance. . . . ."[1] In the later years of the fund, the percentage of members who received benefit was markedly higher than in the earlier years, showing that it tended to become more and more a pool of "bad risks."

[1] Mangold, Denkschrift, p. 58.

In addition to the contributions of insured members, the fund derived its resources from grants from the canton, liberal donations from the prosperous and public-spirited co-operative society of Basle, and donations and subscriptions from private persons. From the year 1903—4 to the year 1908—9 the canton annually granted £80, and since that time actually contributed more than the insured members. In addition, in the last year, when it became manifest that the fund must cease to operate, an appeal was made to the canton for a special additional subsidy so that benefit could be paid for a slightly longer period than the funds available would otherwise allow; and the canton made a special grant of £48 in addition to its usual annual grant of £80. With the exception of one year, the co-operative society annually gave £40, paying in all nearly half as much as was received from the insured. As elsewhere, donations and subscriptions from honorary members declined in later years, but on the whole were liberal.

It is doubtful whether the fund, despite the generous assistance which it received, much relieved the cantonal authorities in dealing with the problem of unemployment. It is said that many persons who were being paid benefit out of the fund also received assistance from the cantonal authority dealing with unemployment.[1]

In 1909 the Great Council passed a law, described in pp. 131—5, which deals comprehensively with the public assistance of provision against unemployment.

Table VII., p. 311 in the appendix, gives particulars of the operations of the fund from 1901 to 1909.

SUMMARY OF DETAILS.

The composition of the committee of management was changed for the third time in 1906, when it was decided that it should consist of nine members—

A president, chosen by the delegates of the trade unions affiliated to the Labour Federation;

The other eight members, of whom one was to be secretary, chosen for one year by the general assembly of the insured members;

[1] Mangold, Denkschrift, p. 51.

trade unions affiliated to the Labour Federation could propose candidates, but the candidate had to be one of the insured.

There were also a manager (chosen in a manner similar to the president), a bookkeeper (chosen in a manner similar to the eight members of the committee), and auditors.

If one-sixth of the insured members reported themselves as unemployed within a week, a special general meeting was to be called to take special measures; the unemployed were also to choose a committee of fifteen members to render assistance to the administrative authority of the fund.

Rates of Contribution.—There were three classes according to earnings. Persons with a daily wage of—

not more than 3*s.* 2½*d.*	paid 4¾*d.* a month
from 3*s.* 2½*d.* to 4*s.*	„ 5¾*d.* „
over 4*s.*	„ 6¾*d.* „

These rates were fixed in 1906; the rates were formerly lower.

Benefit was at the rate of 1*s.* 2½*d.* a day (since 1906), Sundays included (formerly 1*s.* 0½*d.*; and before that 9½*d.*).

Benefit was not paid for the first six days of unemployment (at first fifteen, afterwards ten, and then seven). This waiting period was reduced to four days if only temporary employment not exceeding four weeks had been received previous to the unemployment. Benefit was not paid for more than forty-two days. Towards the end of the year 1908-9, owing to depleted funds, benefit was paid at the rate of 1 franc (9½*d.*) a day.

Operations for the year 1907—8—

Number of members		317
Number to whom benefit paid		140
Number of days for which benefit paid		4,100
Receipts—		
contributions of insured	£75	
grant from canton	80	
subscriptions from—		
co-operative society	40	
honorary members	33	
Total		£228
Benefit paid		£246
Proportion of benefit met from contributions of insured		30 per cent.

(3) Bologna.

In 1896 the Savings Bank of Bologna started a scheme whereby, on payment into a special account of an annual amount varying with the age of the depositor from 2*s.* 4¾*d.* to 4*s.*, benefit could be secured in case of involuntary unemployment due to want of work at the rate of 5¾*d.* a day for a minor, and 9½*d.* a day for an adult, for a period

not exceeding forty days, provided the funds available were adequate. Benefit was to commence from the sixth day of unemployment. The interest on a capital sum of £8,000 (afterwards raised to £12,000) was granted towards the expenses of the scheme.

The scheme was a private one, and subsidy was not received from any governmental authority. Persons of either sex belonging to certain specified trades could join. Despite the liberal terms and certain changes which were made, the venture met with practically no response.

In 1901 a radical alteration was made. The interest on the £8,000 was to be divided among the special depositors in proportion to the amount of their deposits up to a fixed limit. If withdrawal by reason of unemployment had not been necessary, the proportion of the grant was placed to the credit of the depositor's account. Seasonal workers, who had at first been admitted and then excluded from the original scheme, were admitted under the new proposals.

The amended scheme, providing so manifest a gain, without any risk of loss, drew a flood of response. It was found necessary to make restrictions, but the demand grew to such an extent that the management had to make large grants, over and above what was originally intended, to meet the liabilities. It was discovered that deceptions were practised. The scheme was not worked in conjunction with a labour exchange, and there was not a proper check whether a person was genuinely in want of work; consequently unemployment was feigned, sometimes with the connivance of employers, and some persons even borrowed money so that they might make deposits and obtain the benefits offered.

The scheme still continues, with considerable modifications, and under the new conditions has met with some success, within moderate limits. The following are its principal features as at present organised:—

The number of special depositors is limited each year so as to prevent higher claims than could be met from the funds available. Women and minors are excluded,

because it is felt that in their case it is difficult to check unemployment, and also that their wages are too indefinite to make it possible readily to say what amount of unemployment pay could safely be allowed them. Men over sixty-five years of age are only admitted to the benefits of the scheme if they have participated in it for at least five years and can show that they are capable of work and prior to unemployment have been earning at least 2 lire (about 1*s.* 7¼*d.*) a day.

Depositors are divided into two classes, the one class being those with deposits of 32*s.* or more, the other those with deposits of less than this amount. Each person in the former class may receive assistance to the extent of 32*s.* in a year; in the latter, 16*s.* The daily rate of assistance is limited, being lower for the second class. Much the larger number of depositors belong to the higher class. Any surplus at the end of each year in the assistance funds is carried to a special reserve to provide for times of crisis. Persons leaving Bologna for work may withdraw the total amount of their deposits, and receive subsidy, in one sum, provided they can show, within fifteen days, that they have found permanent employment. Migration is thus not hindered.

Depositors who wish to make withdrawals and receive subsidy because of unemployment have to report themselves daily at the premises of the bank.

Deposits may be withdrawn at the end of the year following that in which they are made, if the depositors so choose.

The number of depositors at the beginning of 1909 was 752; at the beginning of 1910, 795. Some £480 a year is deposited by participants in the scheme; and at the beginning of 1910 depositors had over £1,000 to their credit. Some £180 (much less than the funds available) was paid in 1909 as subsidy on nearly 6,000 days of unemployment. Most of the depositors belong to the building trade—the experience of Cologne and Berne thus being repeated: no fewer than 564 out of the 795 members at the beginning of 1910 were masons.

The scheme is now solely one for encouraging and assisting individual savings as provision against unemployment. It seems to serve a useful purpose, especially for the building trade. But clearly it can have but a very limited scope in affording provision against unemployment.

(4) Venice.

A private society started a scheme at Venice in 1901 for provision against unemployment. The insured members were to pay contributions at the rate of $9\frac{1}{2}d.$ a month and in return could claim benefit at the rate of $1s.\ 2\frac{1}{2}d.$ a day in case of involuntary unemployment due to want of work. The rates of contribution and benefit were at first lower. No limit was set to the time for which benefit could be received. Towards the expenses of the scheme, grants were received from governmental authorities and subscriptions from honorary members. The largest share of the resources came from governmental authorities.

As at Bologna, the scheme was not worked in conjunction with a labour exchange. There was not adequate control that claimants were genuinely unemployed, and in the report for 1904 the failure of the scheme was admitted, and it was stated that new measures must be taken if insurance was to be genuinely encouraged.

(5) Geneva.

The scheme at Geneva was established in 1904. Members had to pay an entrance fee, and contributions were at two rates, according to earnings. Benefit was to be at two corresponding rates, and was also to be higher in proportion to the number of children under fourteen dependent on the recipient. Grants were to be made by the commune and the canton, and subscriptions and gifts were also to be received from private persons. The scheme was to be worked in connection with the labour office.

Liberal donations were received, but the scheme was

opposed by trade unions and met with little response from workmen. The government ultimately decided to establish in its place a scheme of insurance after the Ghent model. The new scheme is described in p. 220. This experience of Geneva is very significant.

(6) Leipsic.

In 1905 a scheme of insurance, which has some points of interest, was started at Leipsic, a town with a population of over half a million, at the instance of some private persons and the Evangelical and Catholic trade unions. The scheme is under the management of committees containing representatives of patrons, subscribers, and insured members, and of the Evangelical and Catholic trade unions so long as these unions are patrons or subscribers. Any able-bodied male worker may be insured provided that he is not under sixteen or over sixty years of age, and has lived continuously for a year in Leipsic or the locality.

For members insured individually in the fund, contributions are at four rates, graded according to the risk of unemployment in the occupation followed—a marked improvement on what obtains at Cologne and Berne. Benefit is at the same rate for all these members. Persons who have been members for a long time without claiming benefit may be allowed lower rates of premium, or higher rates, or longer periods, of benefit—a further inducement to "good risks."

Another point of interest in the Leipsic scheme is that associations may insure their members at lower rates of contribution and of benefit than those for members insured individually, provided that not less than a third of the members and not less than fifty in all become insured and that the association undertakes the collection and prompt payment of contributions. Most of the members of the fund belong to associations of this kind.

The scheme has not accomplished much, nor does it show signs of expansion. At the end of April, 1909, it counted only a little over 200 members. It is significant that there

is considerable change in membership: thus in 1908—9 there was an addition of sixty-three members, but eighty persons fell out of membership. The statistics of unemployment show that, compared with Cologne and Berne, the class of workers who are members are much less subject to unemployment, which no doubt is a consequence of the recognition of group-insurance and the grading of the rates of contribution. The majority of members have belonged to the Evangelical and Catholic trade unions, and the "Workers' Protection" and the "Workers' Welfare" unions. The other and more important trade unions have held aloof. The "Workers' Protection" union is composed of "business assistants" (*Handlungsgehilfen*), and this occupation claims more members than any other.

For the year 1908—9 the contributions of insured members formed 92 per cent. of the amount paid out in benefit (£62). That year was one of exceptional industrial depression, and in each of the previous years the amount paid out in benefit had been much less than the total of the contributions received from insured members. This places the fund in quite a different category from those of Cologne and Berne. A proposal was made that the municipality should contribute a grant, but this was rejected. The municipality, however, provides free housing quarters, and the scheme is now also worked in close connection with the labour exchange.

While the Leipsic scheme has points of superiority over some maintained schemes, yet the small number of members which it has attracted goes to show that little can be done in this way. Moreover, what success has been achieved has been accomplished by allowing workers to be insured in groups, and in this respect the scheme partakes more of the nature of autonomous trade insurance than of provided general schemes.[1]

[1] There is also located at Leipsic a general assistance fund for printers, maintained by contributions from employers and insured workmen and managed by a joint committee. Benefit is paid by this fund to insured workmen who are unemployed. The number of members was 2,071 in 1909; the number had been larger in former

Summary of Details.

The fund is administered by four committees—

(1) A business committee, consisting of the president and treasurer of the fund, who must be patrons or subscribers, and the manager.

(2) A committee consisting of the business committee and two patrons, two subscribers, and the presidents of the Evangelical and Catholic trade unions, if these unions are patrons or subscribers.

(3) A committee of six insured members, four being members of the two last-named unions.

(4) A general committee consisting of members of the committees (2) and (3).

To become a patron a person must have guaranteed the fund at least £25 and have given at least £5 of this amount; and to be a subscriber a person must contribute not less than 5s. a year.

Rates of Contribution.—For members individually insured—

Class I. . . .	3½*d.* a week	Class III. . .	6*d.* a week
„ II. . . .	4¾*d.* „	„ IV. . .	7½*d.* „

For members of groups the rate is 1¼*d.* a week. Members of groups can also insure themselves individually. Contributions must have been paid for forty-two weeks before a member is entitled to benefit.

Benefit.—The rates are—

(*a*) For persons insured individually, from 1s. to 1s. 7½*d.* the work-day. The higher rates are paid to persons who have been members for a long time without claiming benefit.

(*b*) For members of groups, 9*d.* a day.

No benefit is paid for the first three days of unemployment or for more than forty-two days a year. Benefit is forfeited if suitable work is refused. Single persons may be required to accept work outside the area within which the fund operates.

Operations, year 1908—9:—

Number of members at end of year		227
Number unemployed during year		38
Number of days of unemployment		1042
Receipts—		
Contributions of insured members . . .	£57	
Other receipts, including interest . . .	50	
Total		£107
Benefit paid		£62
Assets at end of year		£974

years. The fund was originally established by the Association of Master Printers; and it is significant that in the wages agreement for the printing trade made by the representatives of the employers and those of the men in 1908 the former recognised that it was part of the duty of employers to help in the assistance of the unemployed. The representatives of the workmen endorsed this principle provided that the independence of their funds was maintained: nothing, however, has been done to carry the principle into effect, except the establishment of the fund mentioned.

Since most of the members belong to groups, they do not pay contributions in accordance with the four classes applicable to persons who insure individually. Were all the members divided among these classes, the following would be the number in each:—

Class I.	87
„ II.	30
„ III.	105
„ IV.	5
	227

Occupations of members—	
Business assistants	94
Factory workers	41
Workers in commerce and transport	28
Other occupations (eleven being highest number in any one)	64
	227

(7) Haslemere.

The scheme at Haslemere is interesting as being the sole institution of the kind in this country. It follows, in the main, the usual lines, and brief particulars as to the organisation and as to contributions and benefit are given below. The scheme, which is registered under the Friendly Societies Act, is managed by a committee consisting of representatives of the subscribers and of the insured members. It is worked in conjunction with a labour exchange, the full title of the society being "The Haslemere Labour Exchange and Unemployment Society." The contributions of the insured alone are not expected to be adequate to meet the liabilities. It is hoped that sufficient will be obtained in donations and subscriptions to make up any deficiency.

During the first year, ended in July, 1910, nearly £260 was received in donations and subscriptions, and a further £50 from an unemployment committee, being the balance in the hands of the committee, which had been formed to relieve distress in the neighbourhood: £83 was received in contributions from insured members, while only £64 was paid out in benefit—to forty-four persons for 772 days of unemployment. Trade is said to have been unusually busy during the first year, and the claims were less than normal also because benefit could not be paid during the first sixteen weeks, that

period of membership being necessary to qualify for benefit. During the first three months of the second year, when trade has been depressed, £43 has been paid in benefit as against £24 received in contributions.

Of the forty-four persons who received benefit in the year 1909—10, sixteen were carpenters, eleven bricklayers, nine painters, and eight labourers. Building is practically the only trade in the district. All but one of the 120 insured members of the society in October, 1910, belonged to one of the before-mentioned occupations.

Comment is made in the report for 1909—10 on the frequency with which jobs are changed. "As showing the increasing tendency to fluctuations in the conditions of employment, it may be stated that in some instances members were in receipt of benefit as many as five or six different times; the average length of time of men remaining on the Unemployed Register being about eight days. There would appear to be more jobs, but they are completed quicker than before. Employment and unemployment for short periods seems to be becoming more general."

The scheme is on a small scale and has not been in operation for a sufficient time to judge of its results. It will probably confer considerable benefit on workers in the district, with the aid of the public spirit which flourishes so richly there. But the special character of the district, where the conditions differ radically from those which prevail in large industrial communities, must be fully appreciated in estimating the value for general application of the results which are obtained.

Summary of Details.

Members.—Any workman may join who is over eighteen and under seventy years of age and has resided for at least six months in Haslemere or the district.

Management.—The scheme is managed by a committee of sixteen, with a treasurer and a secretary, all elected for one year by a majority of the members. Of these sixteen, eight are representatives of insured members, and eight representatives of subscribers. The committee can add to its number.

In addition to the committee, there are three trustees, who may be

chosen at a general meeting; these hold office at the pleasure of the society. Trustees have the right to participate in the proceedings of the committee.

Contributions are at the rate of 4*d*. per week; and must be paid by a member for sixteen weeks in a financial year before he is entitled to benefit.

Benefit.—The rate is at the discretion of the committee, and is fixed according to the state of the funds, but is not to exceed 1*s*. 8*d*. a day or to be paid for more than forty-eight days in a year. Benefit is not paid for the first four days of unemployment. An "unemployed" member is not debarred from benefit if he is employed on jobs for not more than eighteen hours in one week.

CHAPTER VI.

Provided Schemes of Voluntary Insurance—Summary.

The conclusions to be drawn from the examination of the provided schemes of insurance which have been tried seem clear.

(*a*) Such schemes attract but a very small number of workmen, so small as to make them of little value in dealing with the general question of unemployment, and they are to be deprecated in so far as their existence hinders other endeavours to solve more effectively this one of the gravest of modern problems.

(*b*) The workmen attracted are persons subject to unemployment to an exceptional degree. The schemes tend to become, in fact, pools of "bad risks."

(*c*) When the payment of benefit is restricted to the winter months, as at Cologne and Berne, most of the workers are connected with the building trade, and the funds become in large measure a special form of assistance to that trade.

(*d*) The schemes are costly. Very large subsidies are generally necessary for their solvency, so large, when all sources of assistance are reckoned, that they are in danger of becoming measures of relief rather than of insurance. The fund at Leipsic may seem to be a clear exception, but, as already explained, it partakes in part of the character of schemes in the autonomous, rather than in the provided, group.

(*e*) Where assistance is given by the municipality, there is a tendency for the proportion of the assistance which is borne by the municipality to be increased. Private benefactions, liberal at first, tend to fall off, as is almost

inevitable since it is scarcely likely that the initial interest will be maintained.

(*f*) In addition to outside sources of pecuniary assistance, it is desirable that there should be special facilities for finding work. The persons insured are so subject to unemployment that they will almost surely break the fund unless it can be relieved by the finding of at least temporary work for members when they become unemployed. The experience of Cologne and Berne strongly enforces this conclusion. And at both places it appears that some of the temporary employment found partakes of the nature of relief work.

(*g*) Effective measures must be taken to check claims for benefit, in order to make certain that the unemployment is real and involuntary; and, for this purpose, it is essential that a provided scheme should be worked in conjunction with an efficient labour exchange.

(*h*) Provision is generally made in provided schemes for the participation of the insured members in the management of the work. But, of necessity, when the members depend on so large a measure of assistance, the management must largely rest with others, and however this may be justified for the persons who participate in the scheme, its extension to workmen generally cannot be regarded as consistent with the genuine extension of democratic principles and the inculcation and encouragement of self-help and self-reliance.

Clearly, whatever advantages a voluntary provided scheme of insurance may possess for a particular district, or for particular classes of workmen, to advocate its extension to workmen generally would be to run counter to all the experience which has been gained and to court failure which can easily be foreseen. Whether it is expedient to establish such a scheme, with full recognition of its limited service, will be considered later.

CHAPTER VII.

Autonomous Trade Insurance.

As the designation implies, in schemes of autonomous trade insurance, the insurance is effected on a trade basis, persons following the same or allied occupations being separately organised for the purpose, and is managed by the insured themselves. When it is decided to encourage insurance against unemployment, there is much advantage in working through institutions of this kind. Thus—

(*a*) Use is made of existing organisations. The difficulty of inducing persons to become insured is thus to some extent overcome. And the grant of a subsidy may attract additional members to existing organisations and foster the formation of new ones. Moreover, workmen join trade unions—and it is through trade unions that insurance against unemployment has been mainly effected—not simply to make provision against unemployment, but often for other, and generally more potent, reasons.

The advantages of utilising existing institutions are especially manifest where, as in England, so much has already been accomplished by trade unions. In Denmark, as we shall see, subsidy is given only in respect of provision against unemployment effected through special associations, but in practice these associations are in nearly every case closely connected with trade unions.

(*b*) It is much more likely that genuine insurance will be secured. The danger of attracting only "bad risks" is avoided, for workmen generally free from unemployment are even more likely to join trade associations than are those who are chronically unemployed. Indeed, the latter, for whom genuine insurance is

neither possible nor desirable so long as their industrial invalidity continues, are largely excluded.

(*c*) The advantage of the mutual control of workmen organised in their own societies is secured; and this is a most important gain. One of the principal difficulties in assisting insurance against unemployment is that of making sure that the unemployment is genuine, and one of the surest safeguards against abuse is the mutual control exercised by workmen organised in small local branches, workmen who know well the conditions of trade in their locality, and who, participating in a common fund, realise that the man who pretends unemployment, and through his pretence draws benefit, defrauds his fellows. In a purely state scheme of insurance, also, there might be considerable difficulties in determining the conditions on which an unemployed member would be bound to accept work offered, on forfeit of benefit if he refused. Such difficulties occur even when subsidy is paid through voluntary organisations, since the authority granting the subsidy has to determine on what terms it shall be paid, but they are not so serious.

(*d*) The expenses of administration are kept low. The main part of the work is done through the organisations of which the members are assisted. Effective control exercised solely through municipal or state officials would probably be costly.

(*e*) Actuarial difficulties are avoided. The fixing of the rates of contribution and of benefit is left to the associations themselves, and the municipality or state accepts no responsibility for them. And a self-governing association can much more readily accommodate the rates to the necessities of changing circumstances. It is open to question whether a system of insurance administered by a public authority would have the elasticity which is desirable.

(*f*) Friendly relations, which may be of great benefit to the public weal, are encouraged between public authorities

and the workmen's organisations by their co-operation for a common purpose.

(*g*) Lastly, there is the general social reason, which has already been considered, that by encouraging the organisation of workmen in associations formed and managed by themselves the important disciplinary influence of participating in such institutions is secured, and the sense of solidarity is developed.

There are some disadvantages :—

(*a*) Only the organised worker is caught in the net ; he alone is assisted, and he is exactly the person best able to look after himself. It is generally the unorganised workman who stands most in need of assistance.

This objection is undoubtedly formidable, and in some places arrangements are made whereby, side by side with the subsidising of insurance effected through independent associations, special schemes are provided for assisting the unorganised workman.

But in estimating the real force of the objection, it has to be borne in mind that, under a discreet system of assistance, many workmen who are not now insured against unemployment would join or form societies with insurance. To do so should be quite easy to large numbers of skilled workers who at present are not insured. And there appears to be no good reason for doubting the conclusion set out in their report by the majority of the Poor Law Commissioners that large numbers of unskilled workmen also could make provision in this manner, if discreetly encouraged. It is also necessary to consider how far it is possible to provide for the unorganised workmen, more especially the unskilled, through insurance. In many cases wages are too low or employment too irregular to make insurance practicable.

(*b*) It may also be objected that the public authority which grants assistance to insurance effected through the workmen's own organisations takes sides in the

conflict between different classes in the community. A subsidy given to provision effected through a trade union may be indirectly an encouragement of the trade union. Although, in some cases, stress is laid on the fact that the subsidy is paid, not directly to the trade union, but through the trade union to members who are receiving unemployment benefit, yet even in these cases, while theoretically the distinction is well marked, in practice the result is very similar: workmen are encouraged to become members of the trade union.

Admitting that, from the point of view of the employer, there is much that is valid in this objection, theoretically at least, yet, if the assisting of provision made against unemployment is of great social benefit, much more if the organisation of workmen in their own institutions is also in other respects highly advantageous, quite apart from the use of these institutions as instruments of warfare against employers, objections raised by the latter against fostering their growth cannot justifiably be allowed to stand in the way unless very strong reasons can be shown to the contrary. It is doubtful also whether, even from his own standpoint, any encouragement of trade unions which may result from giving assistance to provision made against unemployment should bulk largely in the view of the employer, for the growth of trade unions is determined mainly by other factors, especially the feeling of common interest among workmen. Looking at the development of trade unions during recent years, it is manifest that their extension is inevitable, and it is of much importance to employers that this extension should take place with their friendly acquiescence and not against their active antagonism.

Moreover it is to the interest of the employer, quite a legitimate interest, and equally to the interest of the community, that trade unions should not be mere fighting machines, ever ready to rush into conflict without much regard to the probabilities of success or incidental

consequences, but that they should be circumspect bodies which will weigh carefully the issues and resort to extreme measures only when the crisis demands this exceptional effort. There is no better way of fostering the sense of responsibility, as the history of English trade unions shows, than by developing the work of trade unions in providing sickness, unemployment, and similar benefits. With a trade union, as with a nation, war is not lightly undertaken when much may be lost from defeat.

There are many schemes of subsidised autonomous insurance in operation in continental countries. In most cases the assistance is given by local authorities, municipalities principally. Of the municipalities, that of Ghent, in Belgium, has accomplished most, and the system of assistance which originated and has been very thoroughly and carefully developed there is now generally known as the Ghent system.

Four national governments give assistance to provision against unemployment. In two cases, France and Belgium, the assistance is small in amount. In the two other instances, Denmark and Norway, the schemes are on a more ambitious scale, and in Denmark important and encouraging results have been achieved. In the canton of Basle-Urban, in Switzerland, a law was passed in 1909 which provides for the giving of assistance to insurance against unemployment effected through trade associations, and also for the establishment of a scheme of insurance, maintained by the canton, for unorganised workmen. Suggestions for the intervention of public authorities in the same mixed manner have also been made in Germany, and it will be convenient to describe such proposals in the present part of the book.

I propose to describe in detail what has been done at Ghent and in Denmark, and also the law which has been passed at Basle, and then, as in the case of provided voluntary schemes, to deal more summarily with what has been done elsewhere.

CHAPTER VIII.

GHENT.

GHENT, with its suburbs, has a population of about 200,000 persons, and is one of the most industrial towns of Europe. Its chief industries are the textile and iron trades, the former especially. A large number of women are engaged in the textile factories. The wages are not high, and in this respect the conditions are not very favourable to the strong growth of insurance.

In the year 1900 the communal council—a body similar to the English town or city council—decided to establish a scheme for assisting insurance against unemployment. Seven neighbouring suburban communes in all have since joined in the scheme, which has been very thoroughly developed under the diligent foresight of its originator, M. Varlez.[1]

The underlying principle of the system is that of helping self-help. The public authorities assist in proportion to the provision made by the workman himself. As is stated in the last report, "Help thyself and the municipality will help thee."

The sums voted by the public authorities are entrusted to a committee, which consists of:—

[1] M. Varlez has sent me an interesting note respecting the inception of the scheme. "The attitude of mind of the man of Ghent and of the Flemish people in general is characterised by a rough good sense and an absence of prejudices when they are not blinded by political passion. Thus the proposal which I made for the establishment of the scheme for assisting provision against unemployment, after having been considered by a special committee, did not raise half an hour's discussion in the communal council, and was passed with only one adverse vote and one abstention. One may imagine what discussion of principles could have arisen, especially in a case of this kind, when a new system, never hitherto tried, was introduced."

10 members appointed by the communal council of Ghent, of whom
3 must be councillors, and
5 must be members of affiliated associations (these members are chosen by the council from a list submitted by the associations); and
7 members, one chosen by each of the affiliated communes.[1]

The chairman of the committee is M. Varlez: the burgomaster has the right of presiding if he attends. The committee is chosen for three years. Each member receives 4*s*. for each sitting attended by him. In addition to the grants received from the affiliated public authorities, the committee can accept gifts, legacies, etc., and may expend these as it may think desirable for promoting measures against unemployment. (The committee has expended part of the grants received from the provincial government in giving prizes for essays on subjects dealing with unemployment.)

The principal functions of the committee are:—

(*a*) To decide at what rates provision against unemployment shall be subsidised, subject to the restrictions which will be stated later. The committee meets towards the end of each month, and then fixes the rates for the next month, according to the state of trade and the money in hand. As will be seen later, there is a tendency for the rate to become stereotyped.

(*b*) To make the necessary arrangements for carrying out the purposes of the scheme.

(*c*) To check claims made for subsidy. As will be explained, in the case of members of associations the claims are made by the associations in respect of unemployed members to whom they have advanced the amount of the subsidy.

[1] The composition of the committee is now under reconsideration, in view of the changes effected by the affiliation of so many neighbouring communes. It is probable that still more communes will ultimately participate in the scheme.

(*d*) To settle disputes. The decision of the committee is final.

The rates of subsidy are at the discretion of the committee, subject to the following restrictions:—

(*a*) The total amount granted is not to exceed the sums placed at the disposal of the committee. But during a time of crisis the communal authorities authorised the committee to maintain the subsidies at the accustomed rates with the assurance that the necessary credits would be voted (see p. 99).

(*b*) The rate of subsidy is not to exceed 100 per cent. of what is received by a person from provision against unemployment made by himself.

(*c*) Subsidy is only granted on the first franc ($9\frac{1}{2}d.$) per day of benefit.

(*d*) The subsidy is not to be granted for more than sixty days (fifty days until the end of 1903) in any one year. The more usual period for which benefit is granted in Belgian trade unions appears to be six weeks. In the building trades it is generally shorter, while in the printing and metal trades it is generally longer.

Subsidy is paid only in respect of involuntary unemployment, including unemployment due to a breakdown of machinery or to a fire at a factory. It is not granted when the unemployment is due to a strike or a lock-out, or to sickness or other physical incapacity. It is paid only to persons residing in the communes participating in the scheme.

The provision which is subsidised may be made—

(*a*) Through an organisation which provides insurance against unemployment. In practice, all such organisations are trade unions. The fullest freedom is left to the associations in determining the conditions on which they will provide insurance from their own funds. Some authorities which have established schemes of assistance on the model of that at Ghent have fixed conditions which must be fulfilled by the associations, if subsidy is to be received by their members—con-

ditions, for instance, as to the kind of association, as to separate administration of the unemployment insurance funds, as to minimum number of members, and so forth. At Ghent a very liberal policy towards the affiliated associations has been followed: restrictions have been limited so far as possible to the conditions on which subsidy is granted. Not a little of the success of the scheme has been attributed to this liberal policy.

(*b*) Through individual savings. During the first three years it was required that a special savings account should be opened, but afterwards it was decided to subsidise withdrawals made from accounts in the general savings bank when the withdrawals were made by reason of unemployment, and for this purpose accounts opened by wives or children under twelve may be treated as accounts opened by the husband or father. Subsidy is granted only on sums which have been on deposit for at least three months. The same person may not receive subsidy on insurance and on savings.

Since 1904, subsidy has also been paid on individual savings made in provident societies. In a society of this kind a member has his own savings account and retains control over his deposits, in contrast to schemes of insurance where payments are made to a common fund and withdrawals can only be made in certain contingencies.

The same rate of subsidy must be paid on provision effected through individual savings as on provision effected through insurance.

The mode of operation of the fund is simple. Suppose a trade unionist is unemployed. He is entitled, let us say, to receive 9*d.* per day from his trade union as unemployment benefit. Assume that the rate of subsidy is 60 per cent., that is, roughly, 5½*d.* on every 9*d.* of benefit. The trade union pays 14½*d.* per day to its unemployed member. In due course it submits its accounts to the committee

and is repaid the $5\frac{1}{2}d.$ a day which it has advanced. Accounts are paid monthly.

Check over the unemployment in respect of which assistance is given is exercised in a number of ways:—

1. In the first place there is the important control of the trade union itself, which consists—in addition to the considerable measure of mutual control almost automatically exercised on each other by the members of a union or of a branch of a union, well acquainted with each other and the general conditions of the labour market in their district—in requiring each unemployed person to register himself daily, and in personal enquiries by the secretary, with appeal to the committee of management of the union and special investigation, if necessary.

It is stated that the control of trade unions over unemployment has considerably improved in Belgium generally under the impetus of the oversight and encouragement of the communal funds. "The beneficent participation of the public unemployment funds, which compare the different regulations and make known what arrangements are most useful and practical, the obligation on the unions to justify the grant of benefit in each case, the intercourse established through the funds with other unions providing insurance against unemployment and the comparisons made, the general meetings held in connection with the funds at which technical questions touching insurance against unemployment are often discussed between the delegates of the affiliated unions—all these measures have largely contributed to this indisputable improvement. It is quite remarkable to note with what ease alterations which have thus been prepared have been accepted by the general meeting of members, when the persons on the committees have been convinced of the utility of the changes: a few days are sufficient to modify regulations which seemed fixed for ever."[1]

[1] Le Contrôle des Chômeurs dans les Caisses de Chômage en Belgique: Rapport rédigé au nom du Fonds de Chômage de l'Agglomération gantoise, par MM. de Bruyne et de Clerck; Conférence Internationale du Chômage, Paris, 1910; p. 6.

2. Each person who wishes to claim subsidy has to register himself at the labour exchange, and any claim can accrue only from the date of registration. He is bound to accept suitable work offered him through the exchange on pain of forfeiting his claim to subsidy (and generally to benefit also). This measure has the advantage, not only of adding to the control, but of bringing to the labour exchange a good class of applicant for work—a class sometimes difficult to attract to labour exchanges: the measure to be next described has the same incidental advantage. It is said that large numbers of insured workmen have been found work through the exchange.

3. It is desired by many to extend the control of the exchange by making it obligatory on all persons who wish to receive subsidy to report themselves there daily during their unemployment. This is already obligatory on all persons who claim subsidy in respect of provision made through individual savings. It is also open to any trade union to require its unemployed members who claim benefit to register themselves daily at the labour exchange, and one large union does so. It seems not improbable that daily registration at the labour exchange will be made obligatory in the near future on the members of all trade unions who wish to receive subsidy.

Strong efforts are being made to develop the labour exchange. Up to the present, the large employers seem to hold much aloof, and as long as this is so the work of the exchange and its ability to exercise effective check on unemployment must be limited. The exchange has recently been taken over wholly by the municipality and placed under the management of a committee consisting of equal numbers of employers and employees with an impartial chairman, the same person as the chairman of the committee of the unemployment insurance scheme: the two institutions have also the same secretary.[1]

[1] Proposals have recently been made to make the connection between the labour exchange and the unemployment fund still closer—that, while the two institutions should be under the control of distinct general

In some of the rural communes affiliated to the Ghent scheme, which do not possess labour exchanges of their own and are situated too far away from the labour exchange at Ghent to make it reasonable that the workers who reside in the communes should register themselves daily at that exchange, the communal authorities require unemployed residents who wish to claim subsidy to register themselves daily at a place in the commune. The same practice is followed in some other Belgian communes.

4. In addition, direct control is exercised by the unemployment fund itself. A secretary-controller makes personal enquiries into each case, including enquiries at the home of the claimant, and, if necessary, enquiries of neighbours. He then compares notes with the trade union officials, and, in case of disagreement, the question is referred to the committee of the unemployment fund, whose decision is final. The exercise of control by the personal enquiries of a secretary-controller is a recent innovation to make the check more effective.

5. Further, members of the committee of the unemployment fund themselves make enquiries into cases referred to them by the secretary. It is arranged that such enquiries shall be made by a member belonging to a trade union of a different political party to that of the trade union to which the unemployed claimant belongs,—a claim by a member of a socialist trade union would be investigated, for instance, by a representative of a liberal or an anti-socialist trade union—but the claims are afterwards considered at a general meeting of the representatives of the insured members, when the representative of the claimant's own trade union has the opportunity of putting forward anything in his favour. A report on the case is then made to the committee of management. Formerly there were standing sub-committees, chosen from

committees, since the interests to be represented on the committees are not exactly the same, one executive committee should be formed for the two. It is also proposed that this executive committee should deal not only with these two institutions, but with all matters touching unemployment, thus forming the co-ordinating focus so essential in endeavours to deal with this problem.

the representatives of persons affiliated to the fund, to check claims, each sub-committee being composed of representatives of different political parties to that of the trade unions of whose members claims were to be checked by the sub-committee. But apparently this was not found to be quite satisfactory, and, so far as the direct control of the fund goes, reliance is now placed mainly in the work of the secretary-controller.

"In a general way, no case of deliberate fraud on the part of a manager of a trade union has been established. The only reproach that can be made is that they are inclined to be somewhat generous in deciding what is involuntary unemployment. Enquiries made for the purpose of control have shown, however, that the causes of unemployment are often complex."[1]

The only instance of serious fraud on the part of members of an association has occurred in a provident society. Reference will be made to this later.

The whole scheme is worked in close co-operation with the trade unions. They are represented on the committee of management, persons being nominated by them, and chosen by the communal council, for serving on the committee. A meeting is also held annually at which delegates from each of the affiliated associations are present: each delegate is paid 4s. for attending the meeting. No important change is carried out without first consulting the representatives of the trade unions.

The existence of the scheme has in turn had a most important effect on the unions. Without express regulations, it has improved the conditions under which insurance is provided: as previously stated, the committee of the fund has served as a focus of the experience of the different unions and has done much to stimulate improvements. At the same time, the work generally of the unions has been steadied: they have come to look upon themselves not simply as armies drilled to make war on employers, but as

[1] Rapport 1906-8, Fonds intercommunal de Chômage de l'Agglomération gantoise, p. 41.

instruments of general social organisation and progress fulfilling most important functions in the commonwealth even apart from their functions as protectors of the workman against the employer.

Operations.

Detailed statistics of the operations of the fund are given in the appendix, pp. 312—14.

Table VIII. gives particulars of membership and unemployment;
" IX. " " of benefit and subsidies; and
" X. " " of the distribution of unemployment between the different trades in 1908.

Membership.—The fund started with a membership of nearly 13,000 in the first year. The membership remained almost stationary until 1907, with a slight decrease in some of the years. In 1907 there was a large increase, and a further small increase in 1908, when the membership was nearly 17,600.[1]

In the report on the operations of the fund for the years 1906—8, it is estimated that nearly one-half the working population of Ghent is insured against unemployment, and that if persons who could not well be included in any ordinary scheme of insurance against unemployment be left out of account, certain classes of home workers for instance, most of the remaining workers with definite occupations are affiliated to the scheme. This is a magnificent achievement, and is a striking testimony to what can be accomplished along voluntary lines where trade unionism flourishes and where discreet encouragement is given to insurance.

Most of the members are skilled workers, or at least workers with definite trades, but a considerable number are unskilled. In Belgium a trade union may include not only the skilled workers in a trade, but also the relatively unskilled workmen. Information is not given in the report as to the number of unskilled workers affiliated to the scheme, but

[1] The number of members is now about 20,000.

M. Varlez informed me that, on a rough estimate, of the approximately 18,000 members of the fund, some—

8,000 were fully skilled workers;

8,000 were partly skilled workers, that is, persons who follow a definite trade which is quickly and easily learned and does not require a course of training—some textile workers for instance;

2,000 were labourers or unskilled workers.

There are about 6,000 women in the total 18,000 members, practically all of them textile workers.

The men affiliated to the scheme belong to many different occupations, from textile and metal workers to bakers and general employees. Particulars of the number of members in the different occupations are given in Table X., p. 314. The largest number of members belong to the—

Textile trades, with some 10,000 members;
Metal trades, „ „ 3,000 „
Building trades, „ „ 1,800 „

The comparatively small proportion of workers in the building trades is in strong contrast to what obtains in provided general schemes of voluntary insurance.

Trade Unions.—Thirty-one trade unions were affiliated to the fund in 1908, with a total membership which comprised 99 per cent. of all the persons participating in the scheme. Most of the unions have a small membership: the largest had 2,400 members, the smallest only 23.

3 had over 2,000 members
4 between 1,000 and 2,000
5 „ 500 „ 1,000
19 less than 500

The three largest unions are in the linen, metal, and cotton trades respectively.

Of the trade unionists participating in the scheme in 1908,

66 per cent. belong to socialistic trade unions
27 „ „ „ „ anti-socialistic „
5 „ „ „ „ liberal „
1 „ „ „ „ neutral „

Most of the trade unionists are therefore divided between the extreme camps, and they should escape the penalties threatened for those who are only lukewarm. The socialists are very well organised in Ghent, but they have not generally a predominating voice in the municipal government.[1]

Unemployment.—During the years 1902-8 25 per cent. of the members were, on the average, annually unemployed. During these years the annual number of days of unemployment in respect of which subsidy was paid was, on the average,

per affiliated member . 3 days
per unemployed member 12 ,,

The average is not high, and this again is in strong contrast with what obtains in provided voluntary schemes. The primary reason for the contrast is, of course, that members of the latter schemes are persons much subject to unemployment, whereas autonomous trade schemes catch workers in general. The latter tend to be genuine schemes of insurance, such as are obviously impossible when only "bad risks" are attracted.

The year 1908 was one of severe industrial crisis in Ghent, and therefore served as a good test of the value of the scheme of assistance. In that year the average number of days of unemployment per affiliated member was 4·7 days, which was 50 per cent. higher than the number of days in any previous year. The manner in which the trade unions were able to meet the exceptional demands made upon them showed clearly how well-rooted insurance has become in Ghent under the quiet direction of the unemployment fund.

M. Varlez has kept an interesting series of statistics of the unemployment since 1896 in a number of trade unions at Ghent, which are practically those now affiliated to the scheme of assistance: the statistics are given in Table XI in

[1] Under the municipal franchise, a man may have from one to four votes, according to his wealth and educational attainments.

the appendix, p. 315. From these figures and those given in Table X it will be seen that, as may be expected, there are large differences in the percentage of unemployment—

(*a*) in the same occupation in different years—in the book trade, for instance, where the percentage was 0·8 in 1898 and 4·5 in 1896;

(*b*) in different occupations in the same year. Thus, in 1908 the average number of days of unemployment per member was 8·4 in the building trade and 3·3 in the book trade.

In Ghent, as in other towns, the building trade presents special difficulties in the matter of unemployment. Proportionately to the number of members, it draws to an exceptional degree on the fund. A larger proportion of persons in the building trade suffer from long periods of unemployment than in other trades, as will be seen from the following table:—

Unemployment due to loss of job in the	Number of members unemployed (1907).	Percentage of unemployed who received subsidy for not more than two weeks.	Percentage of unemployed who received subsidy for more than two weeks.
Building trade .	512	29·5	70·5
Other trades .	1,308	57	43

M. Varlez considers that a distinction should be drawn between seasonal unemployment which is a normal characteristic of a trade and unemployment over and above this, and that the latter is a matter for insurance, but not strictly the former: for example, suppose that three weeks is the normal period of winter unemployment for masons, then insurance should only be applied, strictly speaking, to unemployment over and above this period. It has been proposed that special restrictions shall be made with regard to the payment of subsidy to members in the building trade, but the proposal has not been carried.

Benefit and Subsidy.—During the years 1901—8 the total amount paid to unemployed members has been—

from the contributions of members, nearly	£14,190
from subsidy . . . . . „	7,230
Total .	£21,420

In 1908, when the crisis was so severe, the amount paid in benefit and subsidy was more than twice that paid in the previous year. The municipality of Ghent voted credits amounting in all to £1,660 for that year, whereas not more than £800 had been voted in any previous year. The neighbouring communes affiliated to the scheme also voted larger sums than in former years.

For the seven years 1902—8, the annual amount paid in benefit and subsidy has been, on the average,

	s.	*d.*
per affiliated member	4	2
per unemployed member	16	6½
per day of unemployment per person .	1	5

In contrast to the experience of maintained schemes may be noticed the small amount paid on the average per unemployed member, and still more the small amount paid per affiliated member. The latter is specially striking, being but 50*d.* a year, or less than 1*d.* per week, and of this amount only about two-thirds is contributed by the workpeople themselves, the other third coming from subsidy. The smallness of the amount appears to be due—

(1) principally to the fact, to which reference has already been made, that the insurance, being worked through the trade unions, attracts workers in general: men in steady employment join the trade unions quite as much if not more than men subject to more than average unemployment, while workers frequently unemployed tend to drop out of the unions:

(2) a large proportion of the members are employed in the textile trade, in which unemployment is not so high as in many others:

(3) the amount which it is necessary to provide for unemployment benefit is also reduced by the fact that the provision made is still in many cases not adequate, the period for which benefit is paid being relatively short—on the average, benefit is not paid for more than about 50 per cent. of the total days of unemployment of members of trade unions—and the rate of benefit low:

(4) it would seem also that at Ghent unemployment generally is not so severe as at some other towns.

In some trades, of course, the unemployment is more severe than in others, but even in 1908, with its depressed industrial conditions, and taking the building trade, in which the unemployment was proportionately highest, the statistics given in Table X., p. 314, show that a total provision of about 3*d.* a week per affiliated member—in practice, under the conditions at Ghent, about 2*d.* being paid by the workman himself and 1*d.* by the community—would have sufficed, excluding expenses of management, for a benefit of 1*s.* 6*d.* per unemployed member per day of unemployment for which subsidy was given. Clearly at Ghent moderate provision against unemployment is well within the means even of persons employed in the building trade, and has, in fact, been largely achieved in practice. The rate of 1*s.* 6*d.* per day is not a very generous provision against unemployment, and the average at Ghent during the years 1902—8 was a little less than this. But it must be remembered that the members of the fund include some 6,000 women engaged in textile trades and earning low wages. It is realised, however, that there is need for still more extensive provision, in view of the fact that, on the average, benefit is provided for only about one half of the period of unemployment.

No restrictions are set out in the rules of the fund as to length of residence in Ghent or the neighbouring communes or length of membership of trade unions. When benefit is paid by a trade union the subsidy is paid by the committee, subject to the restrictions as to the amount and the period for which it may be given. But the trade unions generally require membership for a year as a condition precedent to

paying benefit, so that, in effect, subsidy is not usually paid to any person who has not resided at Ghent or in a neighbouring commune participating in the scheme for this minimum period.

The committee has not hesitated to use its discretion in fixing the rates of subsidy. The rates have varied from 100 per cent., paid for three months in 1904 on the first $7\frac{1}{4}d.$ of benefit, to 30 per cent. in some cases. Lower rates have been systematically paid in certain cases than in others:—

(*a*) When the unemployment has been due to a breakdown of machinery or to a fire. Unemployment from these causes has on occasions been frequent. It occurs more especially in the textile trades. It is generally of short duration and less serious than when due to complete loss of employment.

(*b*) To minors; also formerly to women: the latter now receive the same rate of subsidy as men. The committee consider that the total amount received by a member because of unemployment should be well below the ordinary wage, otherwise the incentive to seek for work may be dangerously reduced. This is the reason why minors are assisted at a lower rate than adults, and this was also the reason why women were formerly assisted at the lower rate. A proposal has recently been made to reduce to eighteen years the age to persons below which the lower rate of subsidy is paid.

The usual rates of assistance have latterly been—

for adults,

when the unemployment has been due to the loss of a job	60 per cent.
when the unemployment has been due to the breakdown of machinery or to a fire	40 „
for minors	40 „

In actual practice, the proportion paid in subsidy is less than the rates fixed by the committee. This is due principally to the fact that subsidy is not paid for short periods of unemployment, that it is only paid on the first franc of

benefit, and also, to a small extent, to the restriction of the period of subsidy to sixty days in a year; very few of the trade unions, however, pay subsidy for more than sixty days in a year. Benefit paid to members living in communes not affiliated to the Ghent scheme is apparently also included in the totals, but since the adhesion of so many neighbouring communes to the scheme this has not made much difference.

During the years 1902—8, out of every £100 paid to unemployed members, on the average £66 was provided out of their own contributions, and £34 out of the subsidies granted by the fund. Roughly, it may be said that the insured members provided two-thirds of the amounts distributed in unemployment pay. The scheme may, therefore, be regarded as a genuine encouragement of self-help. No tendency is shown to increase the proportion paid by the public authorities: in the four years 1902—5 the proportion paid by the latter was 35 per cent. and in the last three years, 1906—8, 34 per cent.

Individual Savings.—It was thought that to confine the payment of subsidy to trade unions would have been to have favoured unduly the organised workman. Subsidy was therefore also granted on provision made individually through savings. Very few persons have taken advantage of this offer of subsidy, the number of depositors who received subsidy in 1908 being only forty-two.

The recognition from 1904 of provident societies in which members acted corporately but still made provision by individual savings was granted in the hope that provision against unemployment by persons who were not members of trade unions would thus be stimulated. The checking of unemployment in respect of which claim for subsidy was made was left mainly in the hands of the affiliated societies just as in the case of affiliated trade unions. But here, also, little success has rewarded the efforts of the committee. In 1907 affiliated provident societies accounted for some 470 members: 350 of these belonged to a masons' trade union which at one time provided insurance against

unemployment, then gave it up and established a scheme whereby its members could save individually to provide against unemployment, but in 1908 decided to abolish this system and again to provide insurance. In 1908 the members of provident societies participating in the scheme had fallen to less than ninety, as compared with the more than 17,000 trade unionists.

The same rate of subsidy is paid on provision by individual savings as on provision made through insurance. M. Varlez thinks that the subsidy should be at a lower rate, because this form of provision is not of such social benefit as that made through insurance. The committee proposed that it should be empowered to pay a lower rate, but the proposal was not accepted by the municipality.[1] It seems clear that M. Varlez's view is correct. As might have been expected, the persons who make provision through individual savings are workpeople who are a heavy drain on the municipal subsidy. This is shown by the following particulars, relating to the year 1908 :—

	Percentage of members who received subsidy.	Days of unemployment subsidised per member.
Trade Unionists	43 per cent.	5 days
Members of Provident Societies . .	54 per cent.	7 days
Depositors in General Savings Bank .	[2]	10½ days

Home Work : Tailors.—The manner in which claims are checked has already been stated. The only society in which deliberate fraud on the part of members has been detected was a provident society of tailors. It was found that the claims from its members were high. The members were home-workers, and adequate check on claims was difficult.

[1] The proposal has now been renewed ; see note at end of chapter.

[2] It is not practicable to give a percentage, since any workman with a savings bank account can receive subsidy if he withdraws money by reason of his being unemployed, is not otherwise subsidised, and complies with the conditions set down in the regulations. The total number of persons who received subsidy in this way in 1908 was forty-two.

Frauds were discovered, and as they were still committed after the first detection, strong measures were taken to prevent recurrence—

(*a*) The work of checking the claims was taken from the society and given entirely to the labour exchange.

(*b*) It was found impossible in the case of home work of this kind adequately to check claims on a time basis. The committee therefore fixed what appeared to be a normal week's earnings in the trade, and the amount of unemployment was determined by the extent to which the average earnings fell short of this normal rate.

(*c*) Certificates had to be produced from employers testifying to the amount of earnings.

(*d*) Subsidy was to be paid in respect only of unemployment over and above three days a week. This restriction is reasonable because slackness of work at one time is met by a rush at another.

These measures have proved sufficient, and the claims on the fund have been considerably reduced.

Reserve.—The committee have not had a definite reserve fund. The importance of a reserve is strongly urged in the last report, more particularly as the result of the experience of 1908. For this year the public authorities voted a grant of £800 as in the previous year. It became manifest, having regard to the large increase in unemployment, that this grant would not enable the committee to maintain the rate of subsidy at 75 per cent. and 50 per cent., the rates paid in the last months of 1907 (the latter to minors and in respect of unemployment due to the breakdown of machinery or to fire), or at 60 per cent. and 40 per cent., the reduced rates fixed in the course of 1908. The committee, however, were assured by the public authorities that the subsidy could be maintained at the latter rates, and that supplementary grants would be voted if needed. The committee found it necessary to ask for two supplementary grants.

This is not altogether satisfactory. It introduces an element

of uncertainty into the scheme, and might prevent the committee from planning its operations right from the beginning of the year. It would not be difficult in the fat years of trade to build an adequate reserve for the lean years. It is stated in the last report that if the grants from the municipality had been at the rate of £1,000 a year instead of £800, the rates of 60 per cent. and 40 per cent. could have been maintained even in 1908 without supplementary credits.

An alternative to building up a reserve would be for the public authorities to fix the rates of subsidy, as is done at Strassburg. It might be found difficult to maintain an adequate reserve. The existence of a fund, especially of a public fund, is an ever-present temptation to poach upon it. The chief disadvantage of having a fixed rate of subsidy is that less elasticity is given to the work of the committee, which is now free to fix the rates as it thinks fit; and it is important that considerable freedom should be left to the committee so that improvements may be readily effected. But even if the rates were stereotyped—and there seems a tendency at Ghent to keep the subsidy practically at the fixed rates of 60 per cent. and 40 per cent.—there would still remain to the committee much freedom in determining the conditions under which subsidy should be given.

Labour Exchange.—As previously stated, efforts are being made to extend the control of the labour exchange. It is desired that trade unions should require their unemployed members to submit themselves to the systematic control of the exchange by daily registration when unemployed. A proposal to this effect has been made, but it met with opposition and has not been pressed. As previously stated, however, it seems likely that it will be adopted in the near future.

It is significant that, even at Ghent, where on the whole, under existing conditions, the control seems to have been fairly adequate, it should be desired to supplement the check of the trade unions by that of the labour exchange. The danger is that if the check of the labour exchange is

extended, that of the trade union will be weakened, and this would be disastrous. Those in charge of the Ghent system, however, realise the fundamental importance of the control of the trade unions; they do not wish that it should be displaced, but simply that it should be supplemented.

Short Periods of Unemployment.—It is a common practice in insurance against unemployment not to pay benefit for the first few days of unemployment. It is felt that for these first days ordinary provision should be sufficient, and that benefit should be concentrated on times of greater need. Much more does it seem desirable to concentrate public assistance on the period of greater need, and this is the opinion at Ghent. There is no definite provision in the rules of the scheme for a waiting period. This is left to the trade unions, and most of the Belgian trade unions have only a very short waiting period: in few cases does it exceed two days. But measures have recently been successfully taken to restrict the payment of subsidy in respect of unemployment lasting only a short time. The efforts to prevent the spending of public subsidy to relieve short periods of unemployment have met with considerable opposition. It has been contended, among other reasons, that it is the better class of workmen who suffer from short periods of unemployment—their skill and character save them from prolonged unemployment—and not to pay public subsidy on short periods is to penalise this class and to make them disinclined to join any scheme of insurance (and consequently disinclined to join a trade union), whereas their participation is essential to its strength. This appears to be one of the principal reasons why the restrictions are not more stringent. The following are the principal regulations which have been made :—

(*a*) Subsidy is not to be granted on unemployment lasting less than one day unless it amounts to four half-days in a week. This measure affects especially the textile trades. It was taken in full agreement with the

trade union leaders. It came into operation in 1907 and is stated to have much reduced the claims for 1908.

(*b*) Subsidy is not to be paid in respect of unemployment of only one day in a week unless this day is at the end or at the beginning of a longer period of unemployment.

(*c*) Subsidy is not to be granted in respect of unemployment which does not exceed three days in the year. It was proposed that in the building trade the period should be a week instead of three days, but objection was raised, and the matter is to be further considered.

It is estimated that this measure also would largely reduce the claims for subsidy if the rules of the trade unions which govern the payment of benefit remain as at present, but it is probable that trade unions will alter their rules so as to secure the maximum advantage from the subsidy, and that claims will not be materially affected. The object of the measure, however, that of concentrating assistance on the period of greater need, will be secured.

(*d*) Special conditions are set out regarding the payment of unemployment benefit in the case of factory workers—

(i.) Subsidy is not to be paid in respect of the first two days of unemployment when the unemployment is due to slackness of work and the workers do not actually lose their jobs.

(ii.) Subsidy is not to be paid in respect of the first day of unemployment when the unemployment is due to the breakdown of machinery or to a fire at a factory.

Repeated Unemployment.—It has been found that in some cases the same persons have received their limit of benefit in several years, and a number of trade unions, some on their own initiative and some on the initiative of the committee, have extended to two years the period during which a member must have paid contributions after he has exhausted his benefit before he can again claim benefit.

Most Belgian trade unions do not pay benefit to a person who has not been a member for a full year.

Special Assistance.—The rates of subsidy granted by the committee have generally been considerably below the maximum allowed by the regulations. In 1903, when trade was very depressed, the committee adopted a measure for giving special assistance to members who had exhausted the subsidy to which they were entitled at the rates fixed by the committee but who were still unemployed. A special sum of £200 was voted by the municipality for this purpose. The special payments were made at the rate of $4\frac{3}{4}d.$ a day and continued so long as the member remained unemployed, until he had exhausted the difference between the subsidy which he had actually received and the subsidy which he would have received had it been granted at the maximum rate allowed under the regulations. Thus, suppose the trade union benefit was 9*d.* a day and the rate of subsidy 60 per cent.—

The maximum possible subsidy which could be received under the regulations would be 100 per cent. of 9*d.* for sixty days	540*d.*
The amount which he would receive in the ordinary course would be 60 per cent. of 9*d.* for sixty days .	324*d.*
Difference . . .	216*d.*

This 216*d.* would be the limit of the special assistance which the member could receive. The giving of this special assistance continued until 1907. The total amount paid in this way during the years 1903—7 was approximately £390.

The payment of the special assistance was discontinued in 1907, when trade had again become prosperous, mainly at the instance of the trade unions. ". . . the deferred benefit was received especially by elderly workmen who had adopted some secondary occupation after a long spell of unemployment, and who came to sign at their trade union quarters whenever a day of unemployment occurred in their new occupation. And married women, especially, who had decided to leave factory work for good, liked to secure

according to their personal convenience, this aid of $4\frac{3}{4}d.$ a day in return for a signature."[1] (Frequently in Ghent women continue to work in the factories after marriage until they are about thirty-five, and then give up factory work for the duties of the home.) This experience throws an interesting light on the detailed precautions needed in a scheme of this kind.

After the severe industrial crisis of 1908, when large numbers of workmen who had exhausted their benefit continued to be unemployed, this system of granting special subsidy was re-established and remains still in force. To prevent abuses, every worker who receives this subsidy is required to report himself or herself daily at the labour exchange. Preference is given to these workers in employment found through the exchange, and many have been placed in permanent jobs.

Summary.—Bringing together the principal facts which stand out from this examination of what has been done at Ghent:—

(*a*) The larger number of wage-earners in Ghent who might reasonably be expected to insure themselves against unemployment have done so.

(*b*) This has been accomplished almost entirely through trade unions, with the encouragement given by public authorities. The same encouragement has been held out to provision made in other ways, but with little effect.

The encouragement given by the public authorities has materially stimulated provision against unemployment. "It may almost be said that it is only with the establishment of the unemployment fund at Ghent [on August 1, 1901] that unemployment insurance reached its full development; to adapt themselves to the new provision and to secure for their unemployed the largest amount of communal subsidy, most of the trade unions increased their rates of premium and of

[1] Report on the Ghent Fund for 1906—8, p. 12.

benefit,"[1] and the tendency to increase the rates still continues. M. Varlez considers it probable that the increase in the number of affiliated members which occurred in 1907 was due to the tapping of a lower class of workers than had hitherto made provision against unemployment. This is most interesting and significant.

(*c*) The assistance given by the public authorities is a genuine encouragement of self-help. Of the amounts paid to unemployed persons two-thirds have been provided by themselves; only a third comes from the public funds. The cost to the local authorities has been small. Even during the severe crisis of 1908 the total amount paid out in subsidy was less than £1,900. To the amount paid in subsidy must be added the cost of administration, but in a system in which full use is made of trade unions the cost of administration is small. In the year 1908 it was £110, or less than 6 per cent. of the amount paid out in subsidy. For that year, severe as was the industrial crisis, the total cost per inhabitant in subsidy and cost of administration was only about 2½*d.*—surely a trifling price to pay for the effective assistance rendered in solving one of the most troublesome problems of industrial life. No tendency has manifested itself to throw a larger proportion of the burden on the public authorities.

(*d*) The difficulties which have arisen have been easily overcome. There is no reason to suppose that the check on claims for unemployment benefit and subsidy has not been generally effective. At the same time it is desired to extend the control of the labour exchange.

(*e*) The beneficial effect of a scheme of this kind on the workman cannot be overestimated, a scheme in which self-help exercised through institutions established and managed by the workmen themselves is

[1] "Le Contrôle des Chômeurs...," par MM. de Bruyne et de Clerck, 1910, p. 2.

discreetly fostered. As to this the testimony of the last report is striking. "... 40,000 francs granted by the municipality to encourage insurance against unemployment is of more value than a hundred thousand francs given in relief. The workman insured against unemployment is guarded against the evil temptation to run after charity. The experience of the crisis of 1908 has shown this clearly; the better sections of our working class, more and more numerous, have shown a very remarkable and commendable repugnance to public relief. Persons who participate in the scheme of insurance against unemployment and persons who resort to the public relief authority form two quite distinct classes."[1]

Though much still remains to be done, Ghent has gone a long way towards solving the problem of unemployment, in so far as it can be solved through insurance. In some respects, the workers of Ghent are not very favourably situated for making insurance against unemployment. What has been so worthily achieved there is a strong argument for what can be done in other districts, if a similar system of assisting insurance against unemployment is once adopted with a firm resolve to press it to its best results.

Since the foregoing was written, I have received particulars of the operations of the Ghent scheme for the year 1909. The following is a brief summary:—

Trade unions—	
Number affiliated	43
Number of members	about 18,500
Number of unemployed who received benefit (9,257 of these received subsidy.)	9,271
Number of days for which benefit paid (Subsidy was paid for 80,775 of these days.)	81,265
Benefit paid by the unions	£3,541
Subsidy paid by the fund	1,679
Total paid to unemployed	£5,220
Of total paid to unemployed, part provided out of own resources	68 per cent.

[1] Report on the Ghent Fund for 1906—8, p. 18.

£32 was paid in subsidy to fifty members of two provident societies in respect of 1,350 days of unemployment and £64 of withdrawals. A small amount was also paid on withdrawals by unemployed persons with savings bank accounts.

For the year 1910 an additional commune has joined the scheme and an additional trade union has become affiliated.

A proposal has been made by a committee appointed to consider the work of the Ghent Fund that, while the fund should continue to subsidise provision made against unemployment by members of any trade union through a scheme of individual savings administered by the union itself, arrangements should be made for the payment of subsidy on provision through individual savings made in other ways by some means other than through the fund. It is also recommended again that the rate of subsidy on insurance should be higher than on savings.

CHAPTER IX.

Denmark.

In April, 1907, a law was passed in Denmark, and came into force in the following August, which provides for the public assistance of insurance against unemployment. The law is subject to revision in 1912. It followed, without any important modifications, the recommendations made in 1906 by a commission which had been instructed to report on the subject. For several years previous to this the labour party had sought to persuade parliament to pay subsidy to the unemployment funds of trade unions, but the proposal had been opposed by the conservative parties, the more so as the Danish trade unions are strongly political in character.

The full text of the law and of the model regulations made under it are given in the book by Mr. Schloss on "Insurance against Unemployment." In its underlying principles, the law follows that relating to the subsidising by the state of insurance against sickness which was passed in 1892, and the way for its adoption was paved by the success achieved by the latter law. The following are, in effect, the principal provisions of the law passed in 1907:—

(*a*) Public assistance is given to insurance made against unemployment through special associations formed expressly for the purpose.

(*b*) The special associations may be—

(1) Associations of which the membership is restricted to persons belonging to a particular trade or to allied trades. The Minister of the Interior may refuse recognition to more than one association in a trade.

(2) Local associations of which membership is restricted to persons living in a particular locality.

Except with the special authority of the Minister of the Interior, an association cannot be recognised for assistance unless it possesses at least fifty members.

(*c*) Any person who works for wages may join an association provided that he follows the particular trade, or resides in the particular locality, to which the association is restricted, is not under eighteen or over sixty years of age, and is eligible to be a member of a recognised sick club which may receive assistance from the state: a person is not eligible if his usual income exceeds (to nearest shilling):

(1) £100, if he resides in Copenhagen;

(2) from £66 13*s.* 0*d.* to £77 16*s.* 0*d.*, if he resides in a provincial town, the limits differing at different places;

(3) from £44 9*s.* 0*d.* to £55 11*s.* 0*d.*, if he resides in a rural district;

except that an additional income of £5 11*s.* 0*d.* a year is allowed in respect of every child under fifteen residing with its parents.

A person with a fortune of over £278 is also debarred from being a member of an association with right to benefit.

An association is bound to admit any person who wishes to join, provided that he complies with the necessary conditions, except that power is given to the associations to exclude persons suffering from physical incapacity or who cannot work in harmony with foremen or fellow-workers—to exclude, that is, persons who would probably be an excessive charge on the funds.

(*d*) The law provides—

(1) that the state shall grant in subsidy one-third of the total insurance premium required to be paid, and

(2) that the communal (or municipal) authority of

the district in which an insured member is settled[1] may, at its discretion, pay a part, not exceeding one-sixth, of the total premium to be paid in respect of the member, and further

(3) may also, at its discretion, grant to an association having its head office or a branch office within the area of the authority a sum not exceeding one-sixth of the total premiums required in respect of all the members of an association who are settled in the area.

In practice the premium has been interpreted to mean the total amount, including grants from central and local authorities, which under the arrangements made by an association has been considered necessary in order to provide the benefit given: extraordinary contributions from members are left out of account. The position will be made clearer by a concrete instance. Let us assume that the total weekly "premium" which has to be provided is 6*d.* per member. Then—

the state will pay one-third of this amount,	2*d.*
the local authority, under provision (3) above, may pay as much as one-sixth of this amount	1*d.*
the workman, assuming that he provides the rest, will pay	3*d.*
Total . .	6*d.*

It will be observed that no payment by the local authority under (2) above has been included. Little, if any, has been paid by local authorities under this provision. Such payments are regarded as personal assistance to the members for whom they are made, and information respecting payments of the kind has not been obtained by the central authority. Moreover,

[1] For the purpose of this law a person is settled in the place at which he resided on the preceding 31st of March.

the unemployment associations have discouraged their members from seeking this form of assistance, for the following reasons. It will be observed from the example given that the amount of the subsidy contributed by the state is equal to one-half of the contribution paid by the workman himself plus one-half of the contribution of the local authority to the association (under (3) above), and it is on this basis that the central authority determines the amount of the contribution of the state. If, therefore, the local authority paid part of the contribution due from a workman, the amount paid by the state would be reduced. At the same time, it was thought that in proportion as the local authorities assisted workmen individually to pay contributions due from the latter they would reduce the contributions made under (3) to the associations themselves; and it is clearly in that case to the interest of the members in general that any local subsidy should come in the latter form. The instance which has been given may therefore be taken as typical of what usually prevails; that is, the workman pays one-half of the total premium required, the state pays a third, and the commune a sixth, the payments by state and commune being therefore equal to that of the workman. As explained, the law leaves full discretion to the local authorities to determine what amounts, if any, they will contribute within the limits stated, and some pay less than one-sixth of the total premium; in which case, the workman has to pay a larger proportion than one-half.

(*e*) Benefit is to be paid only in respect of involuntary unemployment due strictly to want of work. It is not to be paid if the unemployment is due to a strike or a lock-out, or to illness or incapacity, or to a person's own fault. And benefit is not to be paid if a member refuses to accept suitable work offered to him through the administration of the association to which he belongs.

A person is not to be entitled to benefit until he has been a member of the association for twelve months, and has paid his contributions.[1] Special provision is made for the case of persons transferred from one fund to another. The rate of benefit is not to be less than $6\frac{3}{4}d.$ a day or more than $2s.\ 2\frac{3}{4}d.$ It must be paid for at least seventy days in a year if the member continues unemployed. But in certain cases the Minister of the Interior may recognise associations which have a maximum period of benefit of only fifty days. A maximum limit is not fixed to the period for which benefit may be paid.

Benefit may be in the form of daily pay, of travelling benefit, of assistance towards the payment of rent, or may be given in kind: some associations also grant payments towards the cost of removal in the case of a member who moves to another district where he has obtained, or has good prospect of obtaining, work. The rate of benefit is not to be more than two-thirds of the wage usual in the trade, in the case of trade associations, or of the common wages of labour in the locality, in the case of local associations. A member must not belong to more than one recognised association, and if he also belongs to one that is not recognised, the total benefit received by him must not exceed the limit of two-thirds of the usual wage. If a member finds temporary work at wages less than the amount of benefit to which he is entitled, provision may be made for the payment to him of the difference.

(*f*) Benefit is not to be paid in respect of the first days of unemployment. This waiting period must not be less than six days or more than fifteen. In the case of

[1] It is further provided in the model rules issued by the inspector that "Members who, during each of three successive years, shall not have worked at their trade for at least twenty-six weeks in all, lose their right to benefit, and cannot regain that right until they shall have worked at their trade for at least twenty-six weeks in the course of twelve months, and shall have paid their contribution as full members during twelve entire months."

seasonal workers, however, a waiting period of more than fifteen days may be fixed, with the consent of the Minister of the Interior. The conditions with regard to the waiting period do not apply to travelling benefit, or to the case of a member who has been in receipt of benefit and has obtained purely temporary work.

(*g*) If a person receives benefit in three successive years for the maximum period allowed by the regulations of an association, he is not again to be entitled to benefit until he has been a member of the fund for a further full year and has paid contributions.

(*h*) The associations are for the most part self-governing. They are subject, however, to the general control of the supervising authorities. The management of the scheme of assistance is in the hands of—

(1) An inspector, who exercises general supervision over the associations, examines accounts, and advises generally. Among his duties is that of endeavouring to secure that premiums shall be adequate for the benefits proposed, and of obtaining statistics for the solution of this difficult question. It is his duty to advise the Minister of the Interior whether the proposals of an association in this respect are acceptable, and this duty naturally gives him considerable influence in securing good administration by the associations. Disputes, other than those expressly reserved to the committee mentioned below, are decided by him; for example, whether in certain circumstances a person is qualified to become a member of an association. Any alterations in the rules of an association are subject to his sanction; and every affiliated association has annually to submit a report and detailed accounts to him. The work of the inspector as a general adviser to the associations is of the highest importance. It is rendered more so by the personality of the present holder of the office. He has the full confidence of the associations and their members, and there is no hesitation in referring matter

to his decision. The indirect influence which can be brought to bear by the inspector on the work of the associations gives more power than even the direct authority which he possesses. Quite properly, the law is so framed that the wishes of the associations cannot lightly be overridden if the law is to be successful.

(2) A committee of management, which consists of the inspector and six representatives of members of affiliated associations. The representatives hold office for six years, three retiring every third year. The committee is an advisory and an administrative body; it assists the inspector in his work and also decides certain kinds of disputes—for example, appeal against the exclusion of a person from an association on the ground that he is not a fit person to become a member, and also appeal against the decision of an association withholding benefit from a member on the ground that his employment is not of a kind in respect of which benefit can properly be paid. Only three appeals have been made to the committee: in one of these cases the aggrieved person, not being satisfied with the decision, appealed further to the Minister of the Interior, who upheld the decision of the committee. If the committee considers that an association is acting prejudicially to the scheme of assistance, it may require the inspector specially to report to the Minister of the Interior on the association.

The place of the committee as the connecting link between the state and the associations is important. The inspector states that the committee has been one of the principal factors in the success of the law. Among the matters which have particularly engaged the attention of the committee are—(i.) the methods of checking unemployment in respect of which benefit is claimed: reference is made later (p. 126) to the valuable work which has been accomplished in this direction; (ii.) the conditions on which members of one association may be transferred to another: rules to

govern this matter were prepared and have been confirmed by the general meeting of the representatives of affiliated associations.[1] The representatives on the first elected committee are a blacksmith, a printer, a joiner, a general labourer, a baker, and a weaver.

(3) An annual meeting is held, to which each association may send at least one delegate. If an association has over 1,000 members it may send two delegates, and an additional one for every 1,000 members above the first 1,000. It is this meeting which chooses the six representatives for the committee of management. Matters generally connected with the fund are considered at the meeting.

(4) The Minister of the Interior is the final authority. Appeal may be made to him against the decision of the inspector and the committee of management. The inspector acts under his supervision.

Operations.

Detailed statistics respecting the operations of the scheme are given in two tables in the appendix (pp. 316, 318):—

Table XII.—Operations during 1907—8 and 1908—9.

Table XIII.—Particulars respecting the membership, unemployment, etc., in the several affiliated associations.

Membership.—The law met with immediate success. At the end of the first year there were over 70,000 members. At the end of the second year the number of full members had increased to nearly 84,000.[2] Of the total number of members, 85 per cent. reside in urban districts, 47 per cent.

[1] It is interesting to note that several of the associations have reciprocal arrangements as regards the admission of each other's members with foreign associations which provide insurance against unemployment.

[2] At the end of March, 1910, the number of members was over 95,000.

being in Copenhagen and Frederiksberg, and 14 per cent. in rural districts.

As will be seen from the particulars in Table XIII. in the appendix, the members belong to every variety of employment. A large number of the members are unskilled workers. An association of general labourers has over 21,000 members, and an association of builders' labourers has 900 members. Over 6,600 women belong to recognised associations. It is estimated in the report for the year ended March, 1909, that nearly 58 per cent. of the male and nearly 16 per cent. of the female industrial workers of Denmark who are over eighteen years of age and eligible to become members of recognised associations have joined. This is a notable achievement, and the result is probably even larger than it seems, for included in the total of industrial workers over eighteen are a considerable number of apprentices, and they are excluded from the unemployment associations.

Associations.—At the end of March, 1909, there were forty-four recognised associations; at the end of March, 1910, forty-eight. Of the forty-four associations, forty-three were trade associations (thirty-nine of these operated throughout the whole kingdom; four were restricted to Seeland), and one was a local association. Ten of the forty-four associations, with 8,800 members, were first recognised in the year 1908—9. But only one of these associations, a society of painters' assistants, was wholly new.

The associations differ very considerably in size, the membership depending mainly on the number of persons engaged in the trade. On March 31, 1909,

1	association	had	over	20,000	members					
3	associations	„	„	5,000	and	under	10,000	members	each	
13	„	„	„	1,000	„	„	5,000	„	„	
6	„	„	„	500	„	„	1,000	„	„	
21	„	„	not more than 500 members each							
44										

The largest associations are those of the—

General labourers with . .	21,500 members[1]
Skilled workmen in iron and other metals with . .	10,000 ,,
Joiners with	6,200 ,,
Bricklayers with . . .	5,100 ,,
Tobacco workers with . .	4,300 ,,
Builders' carpenters with . .	4,200 ,,
Painters with	3,700 ,,
Textile workers with . .	3,500 ,,
Printers with	3,400 ,,

Trade Unions.—The law requires that the associations shall be specially formed for insurance against unemployment. All but one of the associations, however, are closely connected with trade unions and are practically departments of the activity of the latter. In most cases, provision against unemployment had been made directly by the trade unions themselves before the law came into force. The trade unions make it a condition that persons who join the union shall also join an unemployment association. In practice, indeed, the separation between trade union and unemployment association is to a considerable extent obliterated. Their funds are, of course, quite separate, but they generally consist largely, if not wholly, of the same members, and are generally managed by the same persons, and, even further, a member generally pays his trade union contribution and his unemployment insurance premium in one sum, just the same as if the insurance were still part of the work of his trade union. At the same time, it has to be borne in mind that all the rules of an unemployment association have to be sanctioned by the state, and the association is in many respects subject to effective control, whereas a trade union is free to make what rules it desires: this, of course, does constitute a clear line of demarcation between the two bodies, however closely connected they may otherwise be.

[1] This association has over 200 branches in different parts of the country.

The whole scheme is worked in closest co-operation with the trade unions. A model code of bye-laws was prepared by the Inspector and the Minister of the Interior in consultation with a committee of the Central Federation of Danish Trade Unions. This code has been adopted by all the associations, with some modifications to meet special circumstances. The law has been so successful because trade unionism is so widely spread in Denmark: the workmen of the country have developed a genius for organisation.

Unemployment.—The unemployment for which benefit has been paid has varied very considerably in the different associations. For the year 1908—9,

in	9 associations	the average number of days per member in respect of which benefit was paid was	20 and over
„	11 ditto	ditto	from 10 to 19
„	12 ditto	ditto	„ 5 to 9
„	5 ditto	ditto	under 5

The average number of days of benefit per member was highest among the—

Builders' labourers	.	with 37 days	each
Builders' carpenters	.	„ 28 „	„
Bricklayers and joiners		„ 27 „	„

and was lowest among the butchers, etc., cork workers and sorters, and stokers and engine-minders, with three days each.

The average for the thirty-seven associations for which particulars are given was thirteen days.

It will be seen that in Denmark, as elsewhere, unemployment was high in the building trades. The builders' labourers' association is the only one in which the average number of days of benefit paid exceeded half the maximum allowed. The trades in which unemployment was highest, in addition to the building trade, were the metal and timber trades. Unemployment was low in the printing, food, textile and clothing trades.

The maximum number of days for which benefit could be

received in the forty-eight associations affiliated in March, 1910, was—

50 days in	2	associations	
70	„	40	„
over 70	„	6	„

The maximum number of days is highest in the printers' association, where it is from 140 days to 160 days, according to length of membership. The two associations with a maximum of fifty days are those of general labourers and of general workwomen.

As stated, each association must have a waiting period, during which benefit is not paid. The period is six or seven days in thirty-seven out of forty-eight associations, and in eight others it is from eight to fourteen days. Of the remainder, in the case of the general labourers, a member can receive benefit only if he has been unemployed for fifteen out of the preceding thirty days, the last six days of unemployment being consecutive: among the painters, the waiting period is fifteen days in the winter six months, but thirty-five days in the summer six months; and among the builders' labourers the waiting period is ordinarily fourteen days, but may be extended to four weeks if the unemployment is occasioned by frost.

Benefit is, therefore, not paid in respect of the whole period of unemployment. The following information respecting the average total number of days of unemployment in the year ended March, 1909, in thirty-four associations, with 54,100 members, for which particulars are stated, may be contrasted with those already given respecting the average number of days of benefit paid. The average number of days of unemployment per member was—

60 days and over in	6	associations
from 30 to 59 days in	9	„
„ 10 to 29 „	12	„
under 10 days in	7	„

The average for the thirty-four associations was thirty-nine days.

The lowest number of days was among the butchers, etc. (four days), and the textile workers (seven days); and the highest among the builders' labourers (ninety-five days), and the stucco workers (165 days, out of some 303 working days!).

The percentage of the total unemployment for which benefit was paid varied from 72 per cent. on the average in the case of the printers, to as little as 13 per cent. in the case of the unfortunate stucco workers, with an average of 41 per cent. for the thirty-four associations.

In 10 associations, with 12,200 members, benefit was paid for over 50 per cent. of the total number of days of unemployment;

In 11 associations, with 17,500 members, benefit was paid for between 40 per cent. and 50 per cent.; and

In 13 associations, with 24,400 members, benefit was paid for under 40 per cent.

The large amount of unemployment in respect of which benefit was not paid is not so serious as may at first seem. A large proportion is accounted for by the waiting period. Part of the unemployment is that of persons who have not been members for a sufficiently long period to claim benefit. The rest is unemployment over and above the maximum period of benefit. It is not possible to give statistics of the proportions of the unemployment in respect of which benefit was not paid which falls under each of these heads.

Receipts.—The total receipts during the year 1908—9 of the forty-three affiliated associations which paid benefit amounted to £74,200, of which £47,100 was obtained from ordinary contributions, which represented an average of 11*s.* 6*d.* a member. The more usual rates of contributions are from 2*d.* to 3¼*d.* per week.

In 16 associations	the ordinary rate of premium is	. . . . from	4 to 9 crowns a year.
„ 18	ditto	„	10 to 14 crowns „
„ 8	ditto	„	15 to 19 crowns „
„ 6	ditto		20 crowns and over „

(18 crowns are equivalent approximately to 20*s.*)

An entrance fee is not charged by any association, nor is a fee charged to a member who is transferred from one association to another; but a fee is charged to a person who has left an association without adequate reason and again wishes to join: also, in most cases, a person who has been expelled because in arrear with his contributions is only readmitted on payment of his arrears and the amount of the contributions which he would have had to pay had he continued a member; but a limit is fixed to the total amount demanded.

Nearly £12,000 was raised in special levies, rendered necessary in part because in some cases the rates of contribution were too low, but principally because of the severe industrial crisis of the year. These special contributions were raised in twenty-two associations. Ten of these associations are connected with the building trades, and these ten accounted for more than four-fifths of the total amount of the special levies. The special levies represented an average of 9*s.* 4*d.* per member of the associations in which they were levied; and apparently they were able to be met largely because the trade unions advanced the necessary sums to their members. Subsidy is not paid to an association by the state if there is a deficit in the accounts of the association; the deficit has first to be made good by a special levy.

Among the receipts were included a total of £160 in gifts; this amount represented payments received from trade unions. In the previous year trade unions gave over £1,000.

Subsidy.—The subsidies granted by the central and local authorities are not paid until the close of the year, and therefore come into the accounts of the year succeeding that in respect of which they are made. For the period from August, 1907, when the law came into force, to March, 1908, £8,300 was paid in subsidy by the state. The local authorities also contributed liberally, granting the sum of nearly £4,700 in all,[1] of which 94 per cent. was given by urban authorities;

[1] Normally, the state subsidy to the associations will be at least twice that of the communes. But in the first year this was not so, because

86 per cent. of the total members resided in these urban areas. At a conference held in Copenhagen in 1908, which was attended by representatives of several local authorities, a resolution was passed in favour of the giving of assistance by local authorities up to the maximum limit allowed by the law.

The subsidy granted by the state for the year 1908—9 came to over £32,000. Originally the limit of subsidy which the state was to grant was fixed at £13,900. The large amount granted for the year 1908—9 was in part a reflex of the industrial depression during this year, but is also a tribute to the success achieved by the law. The total amount of subsidies granted by the local authorities for the year 1908—9 could not be stated when the report for that year was made.[1]

It is important to know what proportion of the benefits paid is provided out of the contributions of the members themselves. In the year 1907—8 the contributions of members amounted to 89 per cent. of the total benefit paid, and in 1908—9 to 80 per cent. The large proportion which is met out of the contributions of the workmen constitutes the scheme a genuine measure of self-help, the more so that the work is managed mainly by the men themselves.

Special Assistance.—In Denmark, as in other countries, unemployment was very severe in 1908 and 1909. The ordinary provision through insurance was not adequate, so far as it had gone, and three special laws were passed, each to be in force for a year:—

(1) The first, passed in May, 1908, authorised communes to subsidise unemployment associations which had not yet been in existence for the necessary preliminary year, so as to enable these to pay benefit to members. Advantage

of difficulty in calculating exactly the amount which the associations were entitled to receive from the state, as it was not known when the state subsidy was granted how much the communes were going to give.

[1] From later particulars, it appears that the subsidies granted by the communes amounted to over £14,000 (see p. 129).

was not taken of this law in any commune. The law also authorised the communes to exceed the usual limits of their subsidies to communal aid funds and to benevolent funds.

(2) A second law, passed in April, 1909, repeated this last provision, at the same time increasing the amount to be repaid by the state to the communes. The communes were authorised to pay special subsidy to unemployment associations over and above the limits laid down in the law of 1907. The sums so voted were to be distributed by the central committee of management of the state scheme for assisting unemployment insurance. Only one commune took advantage of this privilege.

(3) A third law, passed in May, 1909, provided that, if a member of an unemployment association had exhausted his limit of benefit and was still unemployed and in need, and in consequence received assistance from the commune in which he resided, such assistance did not count as poor law relief, so long as it did not exceed the amount of the benefit received from his association during the last twelve months by reason of unemployment; a similar provision has been permanently in force for many years in regard to the subsidised sick clubs. A large amount of assistance was given under this law, especially in Copenhagen and Frederiksberg. The Minister of the Interior pointed out in a circular letter that this special assistance could be given through the unemployment associations, and most communes in the large urban areas have done so. Endeavours were made to secure the renewal of the law for another year, but these were not successful.

The passing of these laws, especially the last, is of exceptional interest. It shows that, even in Denmark, the mass of workmen do not, as yet at least, make such provision through insurance that they can meet severe industrial crises without other aid. The giving of special assistance in money or in kind in times of exceptional stress, with proper safeguards, may be better than the somewhat indiscriminate distribution of relief work; but the very necessity of giving special assistance has elements of danger and points to the need

of still further developing and strengthening insurance, so that even severe crises, unless very exceptionally acute, can be safely weathered without calling on the community for special aid—aid which always has some tendency to degenerate into an ordinary and customary relief.

It does not appear to be the practice in Denmark, as it is so largely in Germany, and, to some extent, in this country also, for authorities in urban areas to give out work in times of need, winter especially, which partakes of the nature of relief work—a significant fact when taken in conjunction with the rapid development of insurance against unemployment. During the industrial depression of 1908 and 1909, which was especially felt in the building trades, the central and local authorities, however, expedited the distribution of strictly necessary work.

Expenditure of the Associations.—The total expenditure of the 43 benefit-paying affiliated associations for the year 1908—9 came to £80,000. It was exceptionally heavy because of the severe industrial crisis of the year. Of the total expenditure, 92 per cent. was spent in the payment of benefit. Most of this—86 per cent. of the total expenditure—was given in the form of daily pay. Two associations gave assistance in kind, to the value of over £2,500, nearly all of which was given by the general labourers' society. The remainder of the benefit given by the associations was in the form of travelling pay, removal grants, and in special Christmas grants. Special Christmas grants were made by eight associations and amounted to £1,200 in all. Christmas in Denmark is a great festival season.

Travelling benefit consists in an allowance according to distance travelled, in addition to a daily benefit; or in a distance allowance alone; or even only in the payment of railway fare. All daily benefit, whether given in conjunction with travelling benefit or not, is included under the head of daily benefit in the table of expenditure.

The rates of benefit have varied between the limits of 6¾*d.* and 2*s.* 2¾*d.* a day set out in the law. The following

particulars show the maximum annual benefits provided by the associations:—

(*a*) 18 associations have one rate of benefit;
12 of these have maximum benefits of from 50 to 99 crowns.
6 have maximum benefits of from 100 to 150 crowns.

(*b*) 30 associations have varying rates of benefit according to conditions of membership.
Taking the lowest rates:—
25 have maximum benefits of from 50 to 99 crowns.
5 „ „ „ „ „ 100 „ 150 „
Taking the highest rates:—
18 have maximum benefits of from 70 to 124 crowns.
11 „ „ „ „ „ 125 „ 175 „
1 (Printers) has a maximum benefit of 320 crowns.

The above rates of benefit are those allowed when the full premium is paid. Thirteen of the forty-eight associations, however, have provisions in their regulations whereby certain classes of members are admitted on payment of lower rates of premium with correspondingly lower rates of benefit.

Three associations give only travelling benefit during certain periods of the year, while one association, of waiters, only pays benefit during the winter.

In the year 1908—9 expenses of administration were only 8 per cent. of the total expenditure, and from one-third to one-fourth of this was spent in connection with labour exchanges. Nine associations, with some 27,000 members, had labour exchanges under their management; the number with labour exchanges is now much larger and will be still more so in the future as the trade unions are handing over their exchanges to the associations.

Reserves.—The inspector has tried to induce the associations to fix high rates of premium so that there shall be no doubt as to their solvency. There are no adequate statistics to determine what the rates of premium should be, and recognition has hitherto not been refused to any association ont he ground that its rates are too low.

In the case of two or three funds it was foreseen by the inspector that the premiums would be insufficient, but recognition of these associations was not refused, pending further statistics and because the associations wished to have some experience with the premiums at the figures proposed. It is stated that there is no reason to suppose that on the whole the rates of premium are too low to any important extent for the benefits provided.

At the end of the year 1907—8 the associations had a reserve of nearly £31,000, or an average of 8*s.* 9*d.* per member, including the subsidy to be paid by the state in respect of that year but not the subsidies to be received from the local authorities. The inspector, in his report, stated that this was but a small sum to provide for periods of crisis. At the end of the year 1908—9 the total amount of reserve was £50,000, including the central but not the local subsidies for the year, or an average of 11*s.* 11*d.* per member. There has therefore been a considerable increase in the reserve. It must also be remembered that the largest association is that of the general labourers. This association has a reserve of only about 10*s.* per member, and this reduces the average. The average is also reduced by the inclusion of associations recently recognised, which have a smaller proportionate reserve than the older associations. Further, the subsidy to be granted to the communes in respect of the operations of the year 1908—9 must properly be taken into account in considering the reserves. But the inspector is still not satisfied with the amount of the latter, and they will doubtless be gradually increased.

No encouragement is given to the liquidation of associations, as there is a provision in the law that, if an association is liquidated, the funds are not to be distributed among the members.

Check on Unemployment.—The first general question considered by the central committee of the state scheme was that of the control of unemployment. A special enquiry was made by the inspector, and it was found that not many

more than half of the associations—but this half included the largest associations—had satisfactory means of control. The question was very fully considered by the committee, and the main conclusions at which they arrived may be briefly summarised as follows:—

1. A workman must be considered as unemployed when he is not able to obtain suitable work.

2. The control over the unemployment must extend to the cause and the continuance of the unemployment.

3. As regards the cause, it will generally be sufficient to rely on the statements of the unemployed person, with enquiries from fellow-workmen in doubtful cases.

4. As regards the continuance of unemployment, the best check is through a well-developed labour exchange, at which the unemployed person shall be required to register himself daily. Where there is not a labour exchange, special measures of control are desirable.

There are no state labour exchanges in Denmark, and only one municipal exchange of any importance, that at Copenhagen. Several of the trade unions have, or had, labour exchanges. These, as previously stated, are now gradually being handed over to the unemployment associations. Apparently the committee of management consider that for skilled workmen, at least, special labour exchanges managed by the several trades themselves, rather than general state or municipal exchanges, are to be preferred. In the year 1908—9, there were only nine labour exchanges run by unemployment associations; since then there has been considerable development, largely under the encouragement of the inspector and committee of management, and now eighteen associations, comprising 49,000 members, more than half the total number, have exchanges attached to them. The regulations of these associations are subject to the approval of the inspector of the unemployment associations. The central organisation of employers of labour apparently continues to view the labour exchanges with disfavour, still regarding them as being run mainly in the interests of trade unions, a view to which colour is

lent by the fact that they are often located on the same premises as trade unions, and generally are managed partly, or, in some instances, wholly, by the same officials. It was hoped that the need of obtaining the approval of the inspector to the regulations of the labour exchanges and the control exercised by the inspector would have satisfied the scruples of employers, but it has apparently not done so wholly, nor have overtures towards more manifest separation of the exchanges from the work of the trade unions—by location in different premises and staffing with different officers—been very successful in winning the sympathy of the large employers.

Despite these difficulties, however, the labour exchanges are doing useful work. Under judicious stimulation from the inspector and the committee, there has been considerable improvement in the control of unemployment since the establishment of the scheme for assisting insurance; and it is stated that this improvement has been largely effected through the exchanges. And the fact that there are initial difficulties in winning the confidence of employers does not signify that the ultimate advantages to be gained do not outweigh any temporary loss which may result from persevering in the course pursued.

5. With regard to bye-employment it was found difficult to determine what bye-employment—whether bye-employment such as assisting a wife in marketing produce, for example—should disentitle a man to benefit. It was felt that problems of this kind were best met by having effective means of finding, and of offering, suitable work to the unemployed person, but certain directions were issued on the matter.

Summary.—Insurance against unemployment is effected through voluntary associations, which, for the most part, are self-managing. The insurance effected through these associations is subsidised by the central and local authorities. The subsidies of the central authorities are at a fixed rate. It is left to the option of the local authorities whether

and to what extent, within certain limits, they will contribute. They have contributed liberally.

The success of the scheme has been remarkable, even beyond all expectations. Some 60 per cent. of the male industrial workers of Denmark who can be members of the associations have joined. A large number of the members are unskilled workmen. A considerable number of women also participate in the scheme.

The assistance given by the public authorities is a genuine encouragement of self-help. The larger proportion of the amount paid in benefit comes out of the contributions of insured members themselves. Legally, the associations are specially formed for providing insurance against unemployment; in practice, they are closely connected with trade unions. Most of the associations are carrying on work which was formerly done by the unions, and the law has been so successful because the workers of Denmark are well organised in trade unions, and because it is worked in heartiest co-operation with the latter.

Brief statistics of the operations of the Danish scheme for the year ended March, 1910, have been recently (December, 1910) published:—

Number of associations at end of year (one of these had not yet commenced to pay benefit)		48
Number of members—men	85,728	
women	9,561	
Total		95,289
Receipts—		
Contributions of insured members—ordinary contributions	£60,593	
extraordinary contributions	875	
Total	£61,468	
Contributions from other members	284	
Fines, etc.	98	
Gifts	267	
Interest on capital	1,293	
Subsidies (in respect of previous year)—from state	£32,009	
from communes	14,008	
Total	£46,017	
Grand total		£109,427

Expenditure—			
Daily benefit		£78,130	
Travelling ,,		1,520	
Christmas ,,		1,231	
Removal ,,		438	
Benefit in kind		562	
Total		£81,881	
Expenses of administration (including labour exchanges)		10,226	
Grand total			£92,107
Reserve at end of year	£36,835		
Subsidy to be paid by state in respect of year	37,868		
Total	£74,703		

(In addition, subsidy to be received also from communes for the year.)

CHAPTER X.

Basle.

Reference has already been made to the decisive rejection by the electors of Basle of compulsory insurance against unemployment, and also to the private scheme of insurance, established by the Labour Federation, which had ultimately to be abandoned. The cantonal government continued to give the question close consideration. A very instructive report was prepared by Dr. Mangold, the cantonal statistician, by order of the Executive Council for the conference on unemployment which was held at Milan in 1906. Dr. Mangold describes at length the measures taken at Basle for dealing with unemployment, with their results. He shows that assistance in money or in kind to unemployed persons had brought pernicious results, and that the provision of relief work had not been satisfactory.

With regard to insurance against unemployment, he comes to the conclusion, as previously stated, after detailed examination of the character and circumstances of the persons who come to the cantonal authorities for assistance because of unemployment, that so large a scheme as the compulsory insurance proposed in 1899 was not needed to meet the problem. He considers that the best way of making provision against unemployment is by the insurance of the workmen in their own trade societies, and that such insurance should be subsidised by the state; also that, for those who cannot or do not avail themselves of insurance through trade societies, it is advisable that the state should itself provide a scheme of insurance—or quasi-insurance.

In July, 1907, the Executive Council, which is the principal administrative authority, made a report on insurance against unemployment to the Great Council, the legislative

body, in which the question was very fully considered. The conclusions arrived at in the report are substantially similar to those foreshadowed in Dr. Mangold's report. The draft of a bill was appended to the report; it provided for the establishment of a state unemployment fund and for the subsidising of insurance against unemployment effected through voluntary associations. The Executive Council recognised that the state fund could only meet with any measure of success on condition that it was liberally subsidised, and that special facilities existed for providing work for unemployed members.

Ultimately, in December, 1909, after much further consideration—they move deliberately at Basle—a law was passed which follows in the main the proposals made by the Executive Council. The full text of the law is given in the appendix, p. 293. At the end of three years the Executive Council has to report on the results of the law, and whether it is desirable that it should be revised in any particular.

As recommended by the Executive Council, the law provides for the establishment of a state unemployment fund and for the subsidising of insurance against unemployment made through voluntary associations, that is, in effect, through trade unions. Any person may become a member of the state fund provided that he is able-bodied, is a wage earner, has resided at Basle for at least the last six months, and has been employed there for at least three months (provision may also be made for admitting persons working outside Basle), is over seventeen years of age, and is not a member of an association which makes provision against unemployment and receives subsidy from the canton.

The rates of contribution and of benefit are to be fixed by the Executive Council. They may vary according to the occupations, the earnings, and the family circumstances of the insured persons. The inclusion of "family circumstances" is significant. The rates of contribution may be reduced in the case of persons who have been members for a long time without making any claim on the fund. Provision

may also be made that in certain circumstances contributions may be repaid to insured members or their relatives. Benefit is to be paid only in respect of unemployment which is involuntary and due strictly to want of work. It is not to be paid for more than seventy days in a year and is not to exceed two-thirds of the usual rate of wages, except in the case of travelling benefit. The Executive Council may provide that the period for which benefit is to be received may be reduced in the case of persons who have been a heavy charge on the fund. Payments are to commence from the fourth day of unemployment. It is left to the Executive Council to determine whether benefit shall be paid during the whole year or only during the winter months.

A member who is unemployed and claims benefit is bound to accept work offered, provided that it is reasonable in kind and wage, on pain of forfeiting his right to benefit if he refuses. He cannot be compelled to accept a vacancy which is due to a strike or a lock-out. Single persons without dependants may be required to accept work outside the canton on payment of travelling expenses.

An important provision in the law requires that preference shall be given to insured members in filling vacancies through the labour exchange or other public institutions, including, of course, vacancies on public work postponed for the time of slackness. The canton makes a practice of postponing work in this way. The experience of Berne and of Cologne has not been lost on the promoters of the law. They realise that the scheme courts failure unless some special provision is made for finding work for unemployed members.

They realise also that, in addition, liberal assistance must be given to the fund by the canton. The scheme is not called "unemployment insurance" but an "unemployment fund" (Arbeitslosenkasse). The cost of establishing and of administering the scheme is to be borne by the canton, and in addition, the canton will pay a subsidy to the fund. The rate of subsidy is at present limited to £1,400 a year, but it is anticipated that this will be exceeded if the number of persons joining the fund becomes large.

The administration of the fund is placed in the hands of a committee consisting of eleven members, who hold office for three years. Six of the members, including the chairman, are chosen by the Executive Council; the other five are elected by the insured persons from among themselves. Members are to receive 2 francs (1s. $7\frac{1}{4}d.$) each for every meeting attended.

The committee is to exercise general control, and also has certain definite functions, such as the expulsion of members. The scheme is to be under the oversight of the Department of the Interior and under the general supervision of the Executive Council. In certain matters appeal may be made to the Executive Council from the decision of the committee of management.

Secondly, as stated, the law provides for the subsidising of insurance against unemployment effected through voluntary associations. In contrast to what is done at Ghent, the subsidies are to be paid directly to the associations. Already, since 1903, the government has paid subsidy to one trade union—a printers' union—in respect of insurance against unemployment. The subsidy has been small—at first £12, later £16, per annum. The law provides for the systematic extension of the practice, and sets out the basis on which the subsidies are to be paid.

To receive subsidy an association must have at least fifty members who reside at Basle, and must also have an office, or a branch office, within the canton. Associations which have objects in addition to the making of provision against unemployment, trade unions for instance, must keep special accounts in respect of unemployment insurance if they wish to receive subsidy. The assistance to be granted by the canton is of two kinds:—

(*a*) A subsidy may be paid in proportion to the contributions of the members. The subsidy may be from 20 per cent. to 40 per cent. of the contributions. The exact rate is to be fixed by the Executive Council. This subsidy is to be paid into a reserve fund which is to

provide for periods of crisis. Regulations are to be made by the Executive Council as to the formation and use of this reserve fund. If the reserve fund exceeds a certain limit, payment of this subsidy may be suspended for the time being.

(*b*) Subsidy may also be given in proportion to the benefit paid to members. This subsidy may be from 30 per cent. to 60 per cent. of the benefit paid, the exact rate in this case also being fixed by the Executive Council. Payments received under this head may be expended by the association as it thinks fit for the purpose of insurance against unemployment. Payment of the subsidy may be stopped if the total property of the association exceed a certain limit.

In calculating the subsidies to be paid, only the contributions and benefits of those members will be taken into account who have resided in Basle for at least six months. As in the case of the state unemployment fund, benefit must not be paid for more than seventy days in the year and must not exceed two-thirds of the usual wages. Subsidy is not to be paid in respect of travelling or migration benefit. Members of associations who wish to claim benefit and for whom work cannot be found by the associations must report themselves at the public labour exchange. The same preference is to be given to such members in filling vacancies through the public labour exchange or other public institutions as is given to members of the state unemployment fund.

This law consummates for the present the long experience of Basle in the matter of insurance against unemployment. In no district in Europe has the experience been more interesting and instructive. It has been on a small scale—Basle has a population of some 138,000 persons—but it has been in a busy industrial town which represents in miniature the conditions which prevail in modern industrial communities. The very smallness of the area has made it possible to study the problem more closely and to acquire more intimate knowledge of the conditions.

The following appear to be the main conclusions to be drawn from the experience of Basle, though it must be borne in mind that the new law has yet to prove its worth[1] :—

(*a*) The attempt to deal with distress in consequence of unemployment by the giving of money or goods in kind is open to serious abuse even when strict precautions are taken, and is demoralising to the recipients.

(*b*) The provision of relief work alone does not give satisfactory results.

(*c*) Compulsory insurance is not expedient.

(*d*) The proper method of providing insurance against unemployment is through the trade organisations of the workmen themselves.

(*e*) Insurance effected through these trade organisations should be subsidised by the state.

(*f*) For those persons who cannot or do not make provision through voluntary trade associations, an opportunity of making provision against unemployment should be afforded through a state scheme of insurance, or quasi-insurance. Such a scheme will only be successful if liberal assistance be given and if special facilities exist for finding work for unemployed members.

(*g*) Preference should be given to persons who are insured against unemployment, whether in the state scheme or in voluntary associations, in the filling of vacancies through the labour exchange or other public institutions.

Since the above was written I have received a copy of the regulations made by the executive council under the law of December 16, 1909. The law came into force on May 2, 1910. The rates of contribution for those who join the cantonal fund are—

For a person earning not more than	3*s.* 7¼*d.* a day .	5¾*d.* a month
„ „ „	over 3*s.* 7¼*d.* but not more than 4*s.* 4¾*d.* a day	7¾*d.* „
„ „ „	over 4*s.* 4¾*d.* a day . . .	9½*d.* „

The rates of benefit for the first thirty-five days are 9½*d.*, 11½*d.*, and 1*s.* 1½*d.* per work-day for insured persons without dependants, the different rates of benefit corresponding to the different rates of contribution, and for persons with dependants, 1*s.* 3¼*d.*, 1*s.* 5¼*d.*, and 1*s.* 7¼d. respectively. For the remaining thirty-five days benefit is to be at half

[1] The particulars given at the close of the chapter go to show that it is likely to prove very successful.

the foregoing rates. Benefit commences from the fourth day of unemployment. It is to be paid in respect of unemployment occurring at any time in the year. Neither the rates of contribution or of benefit differ according to the occupation of the person insured. It may be that the Executive Council anticipates that only "bad risks" will join the fund, and that the better class of workmen will form private associations for unemployment insurance and receive the cantonal subsidy which is offered to such associations.

Half of the amount paid in contributions by a member of the cantonal fund will be returned—

(1) If the member has left the canton;

(2) To the dependant relatives of a deceased member

provided in both cases that the person has been a member for at least one year, has regularly paid his contributions, and has not claimed benefit.

Single persons without dependants have to accept employment offered them outside the canton on forfeit of their claim to benefit if they refuse—

(1) Employment at any place within a distance of 300 kilometres if they are not over fifty years of age;

(2) Within a distance of 25 kilometres if they are over fifty.

Special travelling benefit is paid to those who take up work offered them outside the canton.

With regard to private associations which receive subsidy, it is provided that the subsidy paid on contributions, which is to form a reserve, shall be paid into a special account with the cantonal bank, and that any money in this account shall only be used with the written consent of the head of the Department of the Interior. If an association is dissolved, so much of the reserve as is necessary may be used to meet its liabilities, but any surplus is to be returned to the cantonal government.

The law appears to be working very satisfactorily. In October, 1910, there were 506 members of the cantonal unemployment fund. Of the 506—

100 members were masons;
78 ,, ,, painters;
65 ,, ,, stonecutters and plasterers;
60 ,, ,, general labourers;
44 ,, ,, building labourers;
40 ,, ,, woodworkers;
32 ,, ,, navvies.

The associations which provide insurance against unemployment and are eligible to receive subsidy count about 2,520 members, of whom—

950 are woodworkers (joiners, etc.);
800 ,, metal-workers;
450 ,, printers; and
320 ,, carpenters.

An association of lithographers is also about to join.

With regard to the cantonal fund, it is considered that the success which has been achieved up to the present is largely due to the fact that the insured persons are directly represented. This gives the insured more confidence in the administration of the scheme, while at the same time it stirs the chosen representatives to do all they can, by recruiting members and otherwise, to ensure the success of a measure which adds to their own importance.

CHAPTER XI.

Belgium and Luxembourg.

A. *Belgium.*

So far back as 1893 the municipality of Brussels took some steps towards establishing an unemployment insurance fund on the model of that at Berne, but the project did not mature. In 1898 the province of Liége gave a grant to trade unions in respect of the insurance against unemployment provided by them, and has continued since then to make annual grants for the same purpose.

But it was the establishment of the communal fund for assisting provision against unemployment at Ghent, in 1901, which gave the impetus to the movement in this direction in Belgium. By 1902 eight communes had adopted schemes for assisting insurance against unemployment. Several other communes followed later, and now every town with a population of over 35,000, numbering sixteen in all, gives assistance to insurance against unemployment. In 1909, there were twenty-one special communal committees for assisting such insurance, comprising in all forty-one communes, with an aggregate population of over 2,000,000 persons, of whom over 240,000 were industrial workers; and since then several additional schemes have been adopted in the smaller communes. The communes which give assistance to insurance against unemployment include within their borders nearly all the industrial population of Belgium.[1] In addition, seven of the nine provinces

[1] These particulars, and those which follow, relate only to communes with special funds and committees for assisting insurance against unemployment (including Ghent), and do not include those communes which simply voted a grant to insurance, without having any special scheme. Thus, in addition to the towns of Liége and Verviers, which have definite schemes, fifty-six other communes, most of them small, in the province of Liége alone assist insurance against unemployment; the amounts voted by these communes vary from less than 10*s.* to £120 per annum; in all they

of Belgium have granted assistance to insurance against unemployment, and one other has since decided to do so, and since 1907 the state has also assisted. The amounts granted by the provinces and the state are as yet much smaller than the amounts given by the communes. It has been stated that the total amounts now (1910) voted by Belgian governmental authorities for encouraging insurance against unemployment may be estimated at 255,000 francs (about £10,200) of which approximately—

150,000 francs is voted by communes;
70,000 francs „ „ by provinces;
35,000 francs „ „ by the state;

and the amounts voted are constantly on the increase. Insurance against unemployment has made rapid progress among Belgian workers in recent years, and the encouragement held out by the various authorities has undoubtedly been a most important factor in bringing about this beneficent growth.

(1) *Communes.*

As previously stated, during 1909 assistance to insurance against unemployment was given by forty-one communes. In some cases a number of communes are federated to form one scheme; at Ghent, for instance, eight communes now participate in the scheme of assistance. An interesting instance of the tendency towards federation is that of the Brussels group, which was established in 1908 by the amalgamation of the Brussels fund and a federal fund comprising neighbouring communes. The commune of Ixelles, which had a separate fund, has since joined this federation, which now comprises in all fourteen communes. In several other districts also movements are on foot towards federating in one scheme a number of neighbouring communes—for instance, at Liége and Verviers, the valley of the Meuse and Vesdre, and in some districts in the province of Hainault, where communal

voted about £480 in 1909. In some other parts also of Belgium there are small communes which likewise give assistance to insurance against unemployment without having any definite scheme.

funds have not hitherto been established. It is recognised as desirable by competent authorities that the communes in each area which forms an industrial unit should institute one federal fund, grouped round the principal town in the district.

All the communal funds pay subsidy on insurance effected through trade unions, and with one exception, the subsidy is paid to individual trade unionists after the manner adopted at Ghent. The exception is the town of Liége, where the subsidy is paid directly to the trade unionists; some details respecting the payment of subsidy in that town are given at the end of this chapter. The trade unions generally, not unnaturally, favour the Liége system in preference to that of Ghent, as in the former the subsidy is handed over to the trade unions themselves, whereas in the latter they are only the intermediaries through which the subsidy is paid to individuals who are unemployed and in receipt of benefit. In practice the difference between the two systems is slight, since even under that of Liége practically the whole of the subsidy would doubtless be used either in adding to the unemployment pay of members or in building up an adequate reserve. The congress of socialist and independent trade unions held at Christmas, 1908, on the proposal of the Liége delegates, voted a resolution in favour of the Liége system, but on the representations of the delegates from Ghent, Antwerp, and Brussels that the Ghent system did not trespass on the freedom of action of trade unions, and that it was the better system for the exercise of check on unemployment and for the prevention of fraud, the congress added that members of the socialist party were free to accept either the Liége or Ghent system, according to local circumstances. At a number of places where the Ghent system has been adopted trade unions had pressed for payment of subsidies directly to the trade unions, but have acquiesced in schemes on the Ghent lines when they found that the authorities would not agree to the Liége system.

One weighty reason which makes some of the Belgian trade unions favour the Liége system is doubtless the fact that the Liége authorities, both provincial and municipal,

pay subsidy in respect of unemployment due to a lock-out, contrary to what obtains at Ghent and at practically all other places with similar systems. But the payment of subsidy in respect of such unemployment is a special local condition, due to the fact that the authorities are very generously inclined towards the workman, and is not an essential characteristic of the Liége system.

Little has been accomplished in the way of assisting provision against unemployment outside the trade unions. Assistance to provision made through individual savings in the national savings bank was only given by three funds in 1909; the number of persons assisted in two of these fund (Ixelles and Louvain) was ten, in respect of 343 days of unemployment.[1] Four funds, Ghent being one, paid subsidy on provision made through individual savings in provident societies; eighty-seven persons were assisted in respect of 1,911 days of unemployment. The experience of Belgium as a whole entirely confirms that of Ghent, that the persons who make provision through individual savings are on the average much more subject to unemployment than those who provide through insurance in trade unions; thus the average number of days of unemployment subsidised per person assisted in 1909 in the case of those who provided through the savings banks was over thirty-four; of those who provided through provident societies, nearly twenty-two; whereas, as will be seen from particulars furnished later, among those who provided through trade unions, the average was under ten.

Subsidy was paid in 1909 to nearly 19,000 trade unionists in respect of over 180,000 days of unemployment. The total amount paid in subsidy exceeded £4,500, exclusive of the subsidy paid by the town of Liége directly to trade unions.

The practice of assisting insurance against unemployment has grown very rapidly in recent years. In 1902 the number of trade unions which participated in schemes

[1] The other fund was that of Ghent, but for some reason particulars of the subsidy given by this fund to persons who made provision through the Savings Bank are not given in the publication issued by the Belgian Office du Travail from which the other particulars are taken.

of assistance was under 100. In 1909 the number was 364 with about 60,000 members. During that year the trade unions paid in benefit over £9,300, and, as stated, over £4,500 was granted by the communes in subsidy. The average payment in benefit and subsidy per unemployed person per day of unemployment was 1s. 6*d*., which was a moderate provision for the lean times of want of work, especially when it is borne in mind that many of the recipients are persons in receipt of low wages. On the average, of the total amount paid to unemployed persons, 67 per cent. came out of the contributions of members, and only 33 per cent. from subsidy.

In 1908, a year of very severe industrial depression, larger amounts were paid out in benefit and subsidy. The proportion paid out of the union funds was also larger in 1908—70 per cent. as compared with 67 per cent. in 1909—as was the total amount paid in benefit and subsidy per unemployed person per day of employment—1s. 8*d*. as compared with 1s. 6*d*. The number of days in respect of which benefit was paid in 1909 was 12 per cent. less than in 1908, but, on the other hand, the number of persons to whom benefit was paid was, strange to say, larger by some 13 per cent.

Among the statistics given at the close of this chapter is a table showing the average annual amount paid since 1902 per unemployed person in the trade unions participating in the several years in communal schemes of assistance. It will be seen that the average payment steadily increased to 1904, and then steadily diminished with a slight break in 1908, due, no doubt, to the exceptional crisis of that year. It is not clear to what extent different causes have operated to produce this result :—

1. The number of days per unemployed person in respect of which subsidy has been paid has diminished. This may be due either to the fact that the average of unemployment per person has been less ; or

2. On the other hand, it may be caused partly by reduction in the time for which benefit may be received. This has

probably occurred to some extent, for, apparently, insurance against unemployment has spread in its development to classes of workmen less able to provide for long benefits than their better-paid fellows.

3. The same extension of insurance doubtless also explains some diminution in the average rate of benefit.

The fall in the average unemployment pay is not explained by the cycle of trade prosperity and depression, for the year 1908 was the most gravely depressed in the series.

The committee of the Ghent fund, it will be remembered, have taken measures to restrict the payment of subsidy in respect of unemployment of short duration, and these measures have been the means of raising the average period for which subsidy has been paid per member assisted.

The Ghent Federation distributed the largest sum in subsidy for the year 1909; after Ghent came the Brussels Federation, and then Antwerp. These three funds distributed over £3,600 of the total granted. With the exception of these three, the largest amount distributed in subsidy by any fund was a little over £200. The crisis of 1908 was very severely felt at Antwerp, and a large sum was distributed among the unemployed in addition to the ordinary subsidy. Part of the special assistance was distributed through the committee which manages the scheme for assisting insurance.

In all, during 1909, assistance was paid by the Belgian communal funds in respect of nearly 186,000 days of unemployment. The trades in which most assistance was given were:—

The building trades with over 36,000 days;
The textile trades with over 33,000 days; and
The metal trades with nearly 29,000 days.

The textile and metal trades are well organised. The building trades in Belgium, as elsewhere, are prone to unemployment. It is significant that in 1908, when the trade depression was very severe, subsidy was paid in respect of nearly twice as many days of unemployment in the textile as in the building trades, whereas in 1909 the number of days in the building trades was larger than in the textile, the

reason, no doubt, being that unemployment in the former trades is less dependent on general industrial prosperity or depression than in the latter. The building trades, with their often prolonged slackness, are rightly held to present special difficulties in the way of insurance against unemployment. The considerable extent, comparatively, to which insurance is effected in these trades in Belgium is noteworthy; this has been attributed in large measure to the encouragement held out by the communal funds. It is interesting to note that among masons benefit is only paid during the three winter months.

In most of the Belgian funds, the control over the unemployment in respect of which subsidy is paid is in part similar to that at Ghent, which has been described in a preceding chapter. At Alost, Bruges, and St. Nicholas, before subsidy is granted, a certificate has to be produced from the last employer stating the reason why the workman has lost his employment. Some trade unions also require a similar certificate before they will pay benefit. This procedure facilitates control, but obviously has certain dangers for the workman.

Since the subsidy is distributed through the trade unions, the cost of administering the communal schemes of assistance is not high. The expenses of administration are not stated in the case of several funds, and probably in some other cases the information given is of doubtful value and all items of cost not fully included. But taking the federations, in which, owing to the participation of more than one commune, the expenses of administration are probably stated with fair accuracy, at Ghent these expenses came to 6 per cent. of the total expenditure on subsidy and administration; at Brussels, 12 per cent.; and at Antwerp, 15 per cent. At Verviers, the percentage was 70 per cent., but this is no doubt because the fund only came into operation in 1909, and probably the cost of establishing the fund is included in the year's cost of administration. The Brussels Federation likewise first came into operation in its present form in 1909, having previously existed as two separate funds, and it is

likely that in that case also the expenses of administration are higher than they will be in ordinary years. In 1908, the percentage of the cost of administration to total expenditure was 6 per cent. in the Ghent Federation—the same as in 1909—and 13 per cent. at Antwerp.

In connection with the question whether assistance to insurance against unemployment shall be given by the national government, it is important to ascertain the local distribution of employment. In Table XV., p. 320, particulars are given of the assistance paid per inhabitant in various districts. The difference in the several districts is great. The amount of assistance given depends, of course, not only on the kind of occupation and the degree of unemployment, but also on the extent to which the workmen are organised. The cost per inhabitant, however, is low in all districts. The highest cost in 1907 was only 1½*d.*

(2) *Provinces.*

The total amount distributed by the six provinces which gave assistance in 1909 was about £2,100. Of this, Liége gave over £1,300, the greater part of which was a special grant made because of the exceptional crisis. As previously stated, the province of Liége has annually granted subsidy since 1898 to trade unions providing insurance against unemployment. Only two trade unions of the kind, with under 400 members, existed in the province in that year, whereas in 1909 subsidy was granted to eighty-seven, with nearly 15,000 members, while the total number of unions in the province which provided insurance against unemployment numbered 142—a striking testimony to the rapid development in recent years of insurance against unemployment through the workmen's own organisations, a development which has largely been due to the encouragement held out by the provincial government. The growth of unemployment insurance has taken place especially within the last six years. Some of the unions which provided insurance could not claim subsidy in 1909 because their insurance had not

been in existence for a year, this being one of the conditions demanded by the province.

Each province has its own method of distributing subsidy. Liége gives nearly the whole of its grant directly to trade unions; a small grant of £40 was made to the communes (Liége and Verviers) which had definite schemes for assisting insurance against unemployment. The ordinary subsidy to trade unions is distributed partly in proportion to contributions received from members in respect of insurance, and partly in proportion to benefit paid, according to a somewhat complicated system of awarding points, described in the appendix, p. 323, which was adopted in order, among other reasons, to favour those unions which require a fully adequate rate of premium in proportion to benefit, but which does not seem altogether satisfactory. Formerly a third of the subsidy was divided according to number of members, a third according to premiums received from members, and a third according to benefit paid, but this system was not found to give good results. In 1908 and 1909 the province gave a special grant of £480 and £800 respectively to trade unions which had been especially hard hit by the prevailing industrial crisis.

Another province with an elaborate system of distributing its (comparatively small) subsidy to communal funds and to associations with insurance against unemployment is East Flanders; that system also will be found described in the appendix, p. 324. One province, Brabant, distributes the whole of its subsidy to communes with schemes for assisting insurance against unemployment. In the three remaining provinces which granted subsidy, it was distributed only to associations which provide insurance against unemployment, and not to communes.

With regard to the method of distributing provincial subsidies, it has been suggested that, whereas the Ghent system with its close control of the unemployment of individual members to whom subsidy is paid is the more suitable system for local authorities, such as communes (or municipalities) which can readily come into touch with the individual members, for other authorities, such as the province or

state, the grant of subsidy direct to the associations themselves, and not to individual members, may be preferable. Of course, in a country like the United Kingdom, where the state has organised a system of labour exchanges managed by itself, the conditions are different; there the state has the means of coming into touch with individual persons.

(3) *State.*

The central government was for a long time disinclined to assist insurance against unemployment, and several proposals that subsidy should be granted were rejected. But in 1907, £400 was granted for assisting labour exchanges and insurance against unemployment, and a little over £100 of this sum was distributed for the latter purpose. In 1908 the amount distributed for the two purposes was raised to £800, of which £460 was expended in assisting insurance, and in 1909, out of a similar vote of £800, over £600 was so expended. For the year 1910, a credit of £1,600 has been voted, double the sum voted in 1909.

In 1909 the subsidy was distributed to three groups of institutions:—

1. To communal funds formed for assisting insurance against unemployment; £130 was so distributed.

2. To associations (225 in number) providing unemployment benefit which were affiliated to communal funds; £395 was so distributed.

3. To associations (seventy-three in number)[1] legally recognised (socialist trade unions will not apply for legal recognition) which provide unemployment benefit, but were not affiliated to communal funds; the sum distributed to these unions was £77.

The reason for limiting the subsidy to associations which are either affiliated to communal funds or are legally recognised is the opinion that the government has not sufficient guarantee as to the work of other associations.

[1] These seventy-three associations distributed £838 in unemployment benefit to 1,334 members in respect of 19,086 days of unemployment.

The subsidy granted to the associations is distributed in proportion to the unemployment benefit paid, but is not given in respect of more than 1 franc (9½*d.*) per person per day of benefit, or in respect of more than sixty days of benefit in the year for the same person; the subsidy has to be expended in the provision of unemployment benefit. The subsidy paid to communal funds is twofold—(1) a subsidy is granted to communes which have assisted provision against unemployment by savings; the subsidy is proportioned to the amount of assistance given, and must be used for a similar purpose; (2) grants are also made to communes which have furnished the central authority with the information necessary for the distribution of subsidy to unemployment funds; this is proportioned to the amount of work which has been occasioned to the commune in the matter.

A committee has now been appointed to consider on what principles the subsidy of the state should be distributed in future. In 1908 and 1909, having regard to the severe industrial depression, the subsidy was paid early to associations affiliated to communal funds, being distributed on the basis of the operations in the first half of each year.

The operations in Belgium are especially interesting as illustrating the simultaneous intervention of different governmental authorities. The following particulars of the unemployment benefit paid during 1908 to members of a trade union in Ghent with some 2,000 adherents offers some indication of the assistance given by the several authorities; but it must be remembered that the communes themselves receive a small grant from province and state. The trade union in question paid over £900 to unemployed members during the year. Of this amount—

67 per cent. came out of the contributions of members themselves;
31 per cent. was received from the communal fund;
1½ per cent. „ „ „ „ state;
½ per cent. „ „ „ „ province;
33 per cent. in all was received from public authorities.

It will be seen that the assistance received from the

province and from the state was very small. The amount from these sources will probably be considerably increased in future years.

B. *Luxembourg.*

A committee was appointed by the municipality of Luxembourg in 1903 to consider the question of assisting insurance against unemployment. This committee recommended that, as regards skilled workmen, subsidies should be paid to the unemployment funds of trade unions, and that, as regards the unskilled, a general fund should be established in which they could be insured. The town council adopted the proposals, but, owing to the difficulties encountered, the proposal to establish a general insurance fund was dropped, and the assistance was restricted to the payment of subsidy in respect of unemployment insurance effected through trade unions. Subsidy was first paid by the municipality in 1904, and has been continued since. In addition, assistance is granted by the neighbouring communes of the town of Luxembourg, and since 1905 the state has also paid subsidy.

The total amount of subsidy given is small; but the number of workers in the district is not large. For the year 1909, the state paid £38 in subsidies to seven unions, and the municipality of Luxembourg £44 to eight; the subsidies of the state are distributed through the municipal authority.

At Ghent the whole of the assistance is paid in proportion to benefit. But in Luxembourg, a third of the subsidy is paid according to the number of members in an association, a third according to the contributions, and the remaining third according to benefit, including travelling benefit.

Statistical Tables in the Appendix (pp. 319—26).

Table XIV.—Operations of the communal funds, 1901—9.
Table XV.—Particulars respecting the several communal funds, 1907.
Table XVI.—Provision made through provident societies and in savings bank accounts, 1909.
Table XVII.—Unemployment for which subsidy paid in the several trades, 1909.
Table XVIII.—Subsidies granted by the provinces, 1909.
Table XIX.—Subsidies granted by the state, 1908 and 1909.

Summary of Details.

Operations of communal funds, including that of the Ghent Federation, during 1909:—

Number of funds	21
Number of affiliated communes	41
Number of persons assisted	19,194
Total subsidy paid by communal funds	£4,714
Number of affiliated trade unions	364
Number of trade unionists to whom subsidy paid	18,909
Number of days for which subsidy paid to trade unionists	180,772
Benefit paid by trade unions (excluding those at Liége)	£9,322
Subsidy paid to trade unionists by communal funds	£4,560

As regards—

(1) Provision through accounts in the savings bank—
Two funds gave assistance to ten persons for 343 days of unemployment; the ten persons withdrew £20 and received in subsidy £12. (In addition some subsidy was paid by the Ghent Federation).

(2) Provision through savings in provident societies—
Four funds gave assistance to eighty-seven persons for 1,911 days of unemployment; these eighty-seven persons withdrew £99 and received in subsidy £50; there were seven provident societies affiliated to the four funds.

The communal funds which paid the largest subsidies for 1909, were—

The Ghent Federation	£1,711
The Brussels Federation	£1,104
The Antwerp Federation	£825

Of the total amount paid to unemployed trade unionists in 1909, the percentage provided out of subsidy was—

Over 40 per cent. in the case of three funds.
Over 30 per cent. but under 40 per cent. in the case of eleven funds.
Over 25 per cent. and under 30 per cent. in the case of five funds.
Under 25 per cent. in the case of one fund.

The highest was 48 per cent.; the lowest 21 per cent.; and the average for all the funds, 33 per cent.

The following table shows the amounts paid on the average since 1902 per unemployed person in benefit by the affiliated trade unions and in subsidy by the communal funds.

	Year.							
	1902	1903	1904	1905	1906	1907	1908	1909
Paid in—	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Benefit by trade unions	16 1	18 9	22 9	15 5	14 2	13 0	13 11	9 9
Subsidy by communal funds	7 2	10 2	13 0	8 3	7 4	6 0	6 0	4 9
Total	23 3	28 11	35 9	23 8	21 6	19 0	19 11	14 6

The total expenditure per inhabitant in subsidy and cost of administration during 1907 was—

1*d.* and over per inhabitant in the case of two funds.
½*d.* and over but under 1*d.* in the case of three funds.
Under ½*d.* in the case of nine funds.
The highest was 1½*d.* and the lowest one-tenth of a penny.

Of the six provinces which granted subsidy in 1909—Liége distributed £1,320, of which £800 was a special grant because of the prevailing industrial depression; Hainault voted £400, but it is not stated how much of this was distributed; East Flanders distributed £234; Antwerp, £88; Brabant, £80; and Namur, £12.

Liége.—The town of Liége has paid subsidy in respect of insurance against unemployment since 1903, but it was not until 1909 that a definite organisation for the purpose was established. The scheme at Liége differs from that of Ghent in that (1) the subsidies are paid directly to the trade unions to be used by them as they think fit for the purposes of insurance against unemployment; (2) part of the subsidy is paid in proportion to the unemployment benefit paid out (the minimum proportion is 50 per cent. of benefit, but not to be paid on more than 1 franc per day of subsistence benefit—and the aggregate amount not to exceed 30 francs a year in respect of the same person—or on more than 10 francs of travelling benefit), and part in proportion to the amount of the premiums paid by insured members (the minimum proportion being 25 per cent.). The payment of subsidies directly to the trade unions themselves has been defended as a more liberal policy towards institutions which are of social benefit and should therefore be encouraged. Subsidy is paid only to societies of which the members follow the same occupation. It is paid in respect of unemployment due to causes beyond the will of the workman, except sickness and accident; it is therefore not paid when the unemployment is due to a strike, but is paid when the unemployment is due to a lock-out. The difference between the credits voted by the municipality for assisting insurance against unemployment and the sums actually paid out goes to a special fund for assisting those unions which continue, under proper rules, to give assistance to unemployed members after the latter have exhausted their limit of ordinary benefit.

The following are the operations of the Liége municipal fund for 1909[1]:—

Number of trade unions participating	15
Number of members of these trade unions who live in Liége town	1,048
Number of members unemployed	165
Average number of days of unemployment per unemployed member	17½ days.
Benefit paid by the trade unions to unemployed members	£182
Subsidy paid by the municipality:—	
Based on benefit paid by the trade unions (50 per cent.)	£43
Based on premiums paid (25 per cent.)	£49
Total	£92

[1] These particulars are taken from "Fonds intercommunal d'assurance contre le chômage involontaire de l'agglomeration liégeoise; memoire

The percentage of the total subsidy of the benefit paid was therefore	51 per cent.
Benefit paid per day of unemployment . .	1s. 3d.
Subsidy paid per day of unemployment . .	7¼d.

As at other places in Belgium, it has been felt at Liége that there should be one scheme for assisting insurance against unemployment for the whole of the industrial area of which the town of Liége itself forms only a part. Therefore, from January 1, 1911, it has been decided to form an intercommunal fund, as at Ghent, with one committee of management, for the distribution of grants for the whole area of the affiliated communes, while reserving freedom to the affiliated communes in determining the amount of their grants. The grants made by each commune will go only to workers living within that commune. The committee of management is to hold office for three years, and is to consist of—

10 members, residing at Liége, chosen by the communal council of Liége.
- 1 of these shall be the alderman for finance. He is to act as president, unless the burgomaster presides;
- 3 shall be communal councillors;
- 3 shall be persons specially engaged in social work and not members of the communal council or any of the societies affiliated to the scheme;
- 3 shall be members of affiliated societies, chosen from a list sent up by these societies.

5 members chosen by affiliated communes other than Liége.
Each commune with at least 100 insured inhabitants shall have the right to send one representative, but as the number of communes having the right to send a representative will be more than five, the right has to be exercised in rotation.

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présenté à . . . la Conference Internationale de Paris, 1910 . . . rapporteur, M. Léon Troclet." The particulars differ slightly from those published in the *Revue de Travail.*

CHAPTER XII.

France.

The State.

The question of assisting insurance against unemployment was considered by the permanent committee of the Conseil supérieur du travail in 1903. Among the principal conclusions of the committee were :—

1. That the establishment and development of institutions for insurance against unemployment should be facilitated.

2. That it was not desirable to establish a national system of compulsory insurance.

3. That local associations for providing insurance against unemployment should be subsidised by municipalities, subject to certain conditions.

4. That it was not advisable that the state should subsidise non-local associations (associations extending over a wide area or the whole of France) of workmen for insurance against unemployment.

The secretary of the committee, M. Fagnot, in his report had advocated that the state should subsidise associations which provided unemployment insurance. But his conclusions were not adopted.

5. That the amount paid in benefit should not exceed one-half the usual wage.

The action ultimately taken by the state, however, did not follow the recommendation of abstention from financial assistance adopted by the committee. The payment of subsidy by the state was warmly advocated in the Chamber of Deputies by M. Millerand, and it was ultimately decided in 1905 that a sum not exceeding £4,400 per annum should be expended for this purpose.

The scheme adopted provides that subsidy shall be paid on insurance effected through voluntary associations. The membership of each association must be limited to persons following a particular trade, or allied trades, except that in small districts, inter-occupational associations may receive recognition. Associations with small membership can receive subsidy from the central government only on condition that they are assisted also by the local commune or municipality or department; it is considered that assistance by the local authorities affords some guarantee of the stability of the associations. Special associations formed for the payment of travelling benefit may also receive subsidy.

Subsidy is granted in proportion to the benefit paid in respect of involuntary unemployment due strictly to want of work. The rates of subsidy are fixed by decree. The associations are divided into two main groups—(1) general associations, of which the membership extends to three departments at least; and (2) local associations, of which the membership is restricted to a locality. The rates of subsidy were at first 20 per cent. of the benefit paid for general associations, 16 per cent. for local. They were raised in 1908 to 30 per cent. and 20 per cent. respectively. These latter were the normal rates contemplated by the original proposals.

A higher rate of subsidy is paid to general associations partly because they are considered to be more effective agencies in dealing with the problem of unemployment. They offer more security, their membership being larger and not confined to one place; also, since they cover a wider area, they afford more facilities for finding work for unemployed members. Moreover, local associations as a rule are likely to receive more assistance from local authorities than are general associations. In the first decree, which was issued in September, 1905, the hope was expressed that local authorities would assist insurance made against unemployment by local associations to a larger and larger extent, and that therefore the need of state assistance to such associations would become less.

Subsidy is paid half-yearly. It is paid directly to the associations, and is calculated on the benefit provided out of their own funds, excluding any assistance received from commune, department, or any other source. An association cannot receive subsidy unless it has existed for at least six months, and unless the total amount paid in unemployment benefit during the half-year in respect of which claim is made amounts at least to 24*s*. Subsidy is not paid on more than 2 francs (1*s*. 7½*d*.) per day of benefit, or for more than sixty days in the year in respect of any one person. A separate account has to be kept of benefit paid, but need not be kept of the contributions of individual members in respect of benefit. Members of trade unions pay one contribution to cover several purposes besides unemployment benefit. It is sufficient to allot part of the total contribution as in respect of unemployment benefit, and thus to calculate the total contributions paid by members. Trade unions are in this way saved much book-keeping. An association cannot receive subsidy for a half-year unless the contributions received from insured members in respect of unemployment benefit amount at least to a third of the benefit paid; provision is made for cases in which reserves are used. Each association must possess, or be connected with, some gratuitous means of finding work for unemployed members. Associations must not pay unemployment benefit to persons who have not been members for at least six months.

Any association may receive subsidy provided that it complies with the conditions. Most of the associations are trade unions. Some French writers believe that provision against unemployment should be made through friendly societies, but little has been done in this direction by societies of the kind. Five of the six associations which pay travelling benefit are connected with Bourses de Travail—institutions to which trade unions are affiliated. Associations which pay only travelling benefit are relieved of some of the conditions with which other associations must comply.

The scheme of assistance is under the supervision of a committee of twelve members containing representatives of

the insured and of the government, with a deputy and a senator. As might have been expected, the official element is strong. The representatives of the insured are chosen by the Minister of Labour.

The number of persons belonging to the ninety-four associations to members of which subsidy was paid in 1909 was a little over 40,000. The number of persons insured against unemployment is larger than this, for the French Labour Office was in touch in January, 1909, with 125 associations which provided unemployment benefit. But clearly the number of workmen insured is very small indeed for a country with so large an industrial population as France. The smallness of the number is primarily explained by the fact that insurance against unemployment has not yet developed much in the French trade unions, and in France, as in other countries, the success of assisted schemes of voluntary insurance depends upon the extent to which it has been taken up by trade unions. Until recently the national subsidy has not stimulated insurance. There has been little growth in membership—only a little over 6,000 since 1905. Latterly, however, there are signs that more progress has been made, especially in the north of France. Moreover, while there has not been any considerable increase in the number of persons belonging to associations participating in the state subsidies, the number of associations themselves has exactly doubled—forty-seven in 1905, ninety-four in 1909—and this is a hopeful sign.

Nearly 15,000 of the total 40,000 persons participating in the state scheme belong to three large trade union federations. These federations are general associations which receive the higher rate of subsidy. Another 16,000 persons belong to the larger local associations. The small associations, therefore, do not count a large proportion of the total membership.

The printing, bookbinding, etc., group of trades has the largest number of members; commerce, transport and warehousing comes next; and, after that, the textile and the metal

trades. The number of members belonging to other trades is small.

The three federations, which include so large a proportion of the members, are federations of printers, engineers, and lithographic workers. Insurance against unemployment is well developed in France only in the printing and bookbinding group of trades.

The total subsidy paid by the state in respect of the year 1909 was under £1,700. It was higher in 1908, higher in that than in any previous year, but even in 1908 the amount was less than half the limit of £4,400 fixed by the government. More than half of the subsidy went to the three federations to which reference has been made. The benefit paid per member in the different trades naturally varies very considerably. Thus in occupations connected with the clothing trades the amount paid in benefit during 1909 came, on the average, to over 14*s.* per insured member, and to nearly 12*s.* in occupations connected with stone and earth work (which includes stonework at quarries, manufacture of bricks, cement, pottery, etc.; also work on precious stones), while in the textile trades the amount per member was only a little over 1*s.*, and in commerce, transport, and warehousing only a little over 2*s.* The average for all trades was approximately 4*s.* 2*d.* per member, which, singularly enough, is the same as the average paid in Ghent, in benefit and subsidy, during the years 1902 to 1908.

Communes and Departments.

The French town of Limoges appears to have been the first public authority to grant assistance to insurance against unemployment. This municipality began to grant subsidy as early as 1891, and Dijon, another French town, followed in 1896. Up to 1903, only one other town, Issoudan, appears to have adopted a similar practice. Since then, however, rapid progress has been made. In 1905, sixteen communes and two departments paid subsidy in respect of unemployment insurance, and in 1907, four departments and

twenty-eight communes, while in 1910, eight departments and forty-two communes voted credits for assisting insurance, so that the practice is now widely spread in the country.

The total result of the activity up to the present, however, is not large, principally, as explained in the case of the state subsidy, because French trade unions have generally not paid much attention to provision against unemployment. They are primarily fighting machines, to maintain and advance the position of the workman as against the employer. The total amount distributed in subsidy by communes and departments in 1909 appears to have been some £2,800, being less than twice the amount of the subsidy distributed by the Ghent Federation alone, so that very much has yet to be done to make insurance against unemployment general. The present narrow limits of the subsidy is due more to the backwardness of the workman in the making of special provision than to any disinclination on the part of local authorities to give assistance, for the total subsidy distributed in the three years, 1907—9, was less than 54 per cent. of the credits voted by the latter for the purpose. In some towns no distribution was made because no claims were received. It is necessary, in estimating the results of the efforts made by the French towns, to recognise that they have in large measure to create their public, and that considerable progress has been made in recent years.

The part played by the departments in assisting unemployment insurance is small. The eight departments which gave subsidy in 1909 only distributed £276, whereas the towns (communes) distributed nine times as much as this. Of the amount distributed by the towns, however, much the larger part was granted by a few of them. If Paris, Lyons, Limoges, Dijon and Armentières be excluded, all the other towns and the eight departments paid only about £600.

As each town is free to adopt what system it chooses, there is naturally much diversity in the practice which prevails. Nineteen communes have definite regulations for the distribution of subsidy, and at most of these places

the subsidy is distributed in proportion to the amounts paid out in benefit.

The following is a summary of the rules adopted in the 19 communes for the distribution of subsidy :—

At 6, subsidy is paid, as at Ghent, to unemployed members of associations in proportion to benefit;

At 6 (including Paris), it is paid to the associations themselves in proportion to benefit ;

At 2, two-thirds of the subsidy is paid in proportion to benefit and one-third in proportion to number of members;

At 2 (including Lyons), subsidy is paid to associations in proportion to premiums paid by members;

At 2 it is apparently paid on provision affected through a special insurance fund not restricted to any one trade or to allied trades[1];

At 1 (Dijon), it is paid partly according to number of members, partly according to premiums paid by members, and partly according to the financial position of the association.

In the case of the other communes and of the departments, there are no fixed rules: the subsidies are paid to the associations through which provision is effected. Much the larger part of the total subsidy was distributed by communes with fixed rules. But the rules do not appear to have been followed in every case. At two places, the subsidy was distributed at a certain allowance for each day of unemployment sustained by the members of the affiliated associations, while in one case, Toulouse, the distribution was determined by agreement between the associations participating. One municipality, La Rochelle, pays subsidy on provision effected through individual savings as well as subsidy on insurance effected through associations, but provision by insurance is recognised to be preferable to provision by individual savings. The delightful freedom of initiative left to the communes has led to the introduction of a somewhat novel system at Toufflers, where the scheme of insurance against unemployment, which was established with the financial encouragement of the municipality, is associated with a scheme for insurance against death—not a stimulating connection.

[1] In the summary given in the *Bulletin de l'Office du Travail* for July, 1910, only one commune (Troyes) is included in this group. But, apparently, at Toufflers also the municipal subsidy is given only to a single association, which is open to workers generally. The two schemes are, strictly, provided schemes, but are conveniently considered in this chapter.

One of the most interesting developments in France in the assisting of unemployment insurance is the scheme elaborated by the Northern Section of the Association for the Legal Protection of Workers. In the main, the scheme evolved follows the model of Ghent, but it differs from it in some important respects:—

(1) Assistance is not recommended in respect of provision made through individual savings. The trade union is taken as the sole unit of provision against unemployment.

(2) Of the total subsidy, only two-thirds is to be distributed on benefit; the remaining third is to be distributed between the affiliated associations in proportion to the number of members. The main reason for introducing this variation from the Ghent scheme is the opinion that to distribute the whole of the subsidy according to benefit paid is to penalise those associations which have the best means of finding work for their unemployed members, whereas this branch of their activity should be encouraged as much as possible.

(3) It is advocated that the majority of the members on the committee of management should be representatives of the affiliated associations, and should be chosen by them.

The Section also suggests that no association should be admitted to affiliation which has less than 100 members, except in special circumstances; that the subsidy paid in benefit should not be less than 1 franc (9½*d.*) a day, or more than the amount paid in benefit from the funds of the association, and that the total amount of the unemployment pay should not exceed two-thirds of the usual wage.

The Section has done much work in the north of France in bringing to the forefront the question of provision against unemployment. Some towns have already adopted schemes of assistance on the lines advocated by the Section, and other towns are considering the question, among them the important town of Lille.[1]

[1] A scheme for assisting insurance against unemployment, which follows, with some slight modifications, the proposals of the Northern Section, has now been adopted at Lille.

The number of associations which participated in the subsidies distributed by the communes and departments in 1909 was 205, as against 32 in 1897, and 116 in 1907. The total number of members in these associations cannot be stated, but 122 of them had nearly 14,000 members, and 150 of them distributed in 1909 some £6,200 in unemployment benefit. Of the associations assisted by the communes in 1909, twenty-nine were connected with the metal trades, twenty-five with the building trades, twenty-four with the textile trades, and twenty with the printing trades, but without information as to the number of members, which is not given, the mere number of associations does not carry much significance: as previously stated, there is only one group of trades in France in which unemployment insurance is well developed—the printing and allied trades.

Nearly all the associations assisted are trade unions or federations of trade unions, but, included in the total are five friendly societies, while at Troyes and Toufflers, as already stated, subsidy is paid on insurance effected through special funds. Most of the associations which receive subsidy from the municipalities apparently also receive subsidy from the state.

The two towns which give the largest amount of subsidy are Lyons and Paris.

Lyons.—For the year 1909, as in previous years, this municipality voted £1,000 for assisting insurance against unemployment, and nearly £840 of this amount was distributed.

Subsidy is paid to the same amount as is received by the associations in premiums from their members. Only one other town in France, Cherbourg, grants subsidy according to premiums paid. The two groups of trades which received the largest subsidies at Lyons were the printing trades (£310), and the textile and clothing trades (£150). It is interesting to know what part of the total amount granted in benefit is paid under this system. Taking the three years, 1907 to 1909, as affording a wider basis than a single year, the total amount paid out in benefit was £2,847, and the amount paid in

subsidy was £2,314, being 81 per cent. of the amount paid in benefit.

The proportion is exceedingly high, and it certainly seems as though the municipality had been paying more assistance than was necessary, and that either the associations assisted are accumulating large reserves or the expenses of administration are very high, or possibly part of the receipts nominally appropriated to unemployment insurance were used for other purposes; for over a sufficiently long number of years the premiums paid by the members plus the contribution of the municipality (equal to the premiums) should be equal to the benefit paid plus the expenses of administration. The differences in the subsidy received by some of the trades are also very marked: thus, in 1909, whereas associations in the leather and skin trades received 657 francs of subsidy and paid out only 278 francs in benefit, associations in the food trades received but 312 francs in subsidy and paid out 638 francs in benefit. These facts go to show that the system adopted at Lyons is not commendable. Endeavours appear to have been made to change it, but without success up to the present. Some attempts at fraud were discovered, and new measures have been adopted which, while maintaining the present system, will stop, it is hoped, any similar attempts.

Paris.—The municipal council of Paris has sententiously voted a credit of £1,000 for assisting provision against unemployment since 1904, but it was only in 1909 that a scheme was definitely promulgated and distribution of subsidy made: £790 was given out to associations during that year at the rate of 20 per cent. of the amount paid out by them in benefit, with the same restrictions as are adopted in the distribution of subsidy by the state. This £790 was divided between twenty-nine associations, and these paid out nearly £4,000 in benefit during the year. The largest amounts of subsidy were distributed to trade unions of engineers (£136), of workmen engaged in making instruments of precision (£133), and of printers (£121); £79 was granted to a trade union of employees.

The schemes at some other towns merit brief mention :—

Limoges.—As previously stated, Limoges began to give subsidy as early as 1891. The assistance given by the municipality seems to have stimulated provision against unemployment to a marked extent. In 1906, the municipal council changed their method of distributing subsidy, and adopted the Ghent system. Several associations which had formerly received municipal subsidy refused to comply with the new conditions, and therefore did not participate in the remodelled scheme. In 1908, £460 was distributed to twenty-two associations, being 26 per cent. of the benefit paid by them. Some of the associations also received subsidy from the department.

Dijon.—Formerly the system of distribution adopted at Dijon was very defective, subsidy being granted in proportion to the deficit of the association. The distribution of subsidy is now based on number of members, premiums paid, and the financial position of the association. In the three years 1907—9, £340 has been distributed in subsidy, being 59 per cent. of the total amount paid out by the associations in benefit. The building and the printing and bookbinding trades have participated most in the subsidies.

Roubaix.—The scheme at Roubaix (population about 120,000) is one of the most interesting in France. The municipality had the question under consideration so far back as 1902, but it was felt that the state of the public finances did not permit of the establishment of a scheme at the time. Ultimately a scheme was launched in December, 1907, under the auspices, but not under the immediate control, of the municipality. The scheme follows in the main the principles adopted at Ghent, but differs from it in the large financial support given by employers. The chief characteristics of the scheme at Roubaix are :—

1. An association has been formed for assisting provision against unemployment. The association is private, but is financially assisted by, and is in close touch with, the municipality. It was proposed at first that the scheme should be municipal, and that the committee of management

should contain representatives of the municipality, of the affiliated associations, and of bodies, such as the Conseil de Prud'hommes, which exercise public functions. But this proposal was not found practicable.

2. Liberal donations have been made to the association by employers. During the years 1908 and 1909 £900 has been received from employers' associations, exclusive of donations from the employer-members of the Conseil de Prud'hommes and from the Chamber of Commerce. It is interesting that this sum has been paid, not by individuals, but by corporate bodies of employers. It appears that some associations of employers decided that each of their members should pay a voluntary subscription proportionate to the amount paid in wages, and a total contribution of £800 was paid. These employers' associations have promised to subscribe further sums, when necessary, in order to provide for the payment of subsidy. This corporate intervention and participation of the employer in the assisting of provision against unemployment is the distinguishing characteristic of the work at Roubaix.

3. The public authorities have also assisted liberally. The municipality has granted a sum of £200 to the association in each of the years 1908 and 1909. A similar amount was also granted for the year 1910. Part of the proceeds of a municipal lottery have been used to subsidise unemployment insurance. The department also granted £80 for the year 1909. Application has been made for the recognition of the association as one of public utility, so that it may also receive subsidy from the state.

4. Subsidy is paid by the association on—

(*a*) Insurance against unemployment effected through mutual societies, whether a friendly society or a trade union. The unemployment fund of a society or union has to be separately administered.

(*b*) Savings effected against unemployment either through the Roubaix Savings Bank or the Postal Savings Bank. It was intended from the beginning to pay subsidy on savings, but the practice was only introduced in 1909.

The same rate of subsidy is paid on insurance and on savings.

The operations of the scheme have hitherto been on a small scale. In 1909, eleven associations were affiliated, with a membership of some 2,600 members. Subsidy was paid to the amount of £34 in respect of approximately 1,700 days of unemployment to 122 unemployed persons; the number of days for which subsidy was paid was small, partly because unemployment was very low during this year, much lower than at Ghent. The rate of subsidy was 50 per cent. of benefit.

The reasons for the small results obtained are chiefly—

1. The making of special provision against unemployment is very little developed at Roubaix. When the scheme was inaugurated there were only two associations which provided unemployment insurance; now there are eleven, so that some progress has been made.

2. The trade unions have been hostile to the scheme. They think that the employers give assistance partly as charity; but the employers insist that they do it as a recognition of social duty. The trade unions also suspect the scheme, thinking that the employers will use it to serve their own interests. The employers protest that the scheme is so devised as to offer every guarantee against abuse. The association does not intervene in disputes, and does not compel a workman to accept employment, on penalty of forfeiting subsidy, at a place where there is a strike.

To disarm the hostility of the trade unions, the association has gone further. Arrangements have been made that the check on unemployment in respect of which subsidy is claimed shall be exercised by the state Inspector of Labour. Each member of an affiliated society is given a number, and when he is unemployed this number only is communicated to the committee, so that they are unaware of the identity of the person who is unemployed. The inspector necessarily knows name and number, but is under obligation not to divulge the name. This mode of control appears to have found much favour in the north of France, and was

advocated for general adoption at a congress held at Lille in 1909.

It seems not unlikely that the hostility of the trade unions will gradually disappear, and that under the encouragement offered by the scheme several will ultimately provide unemployment benefit. None do so at present. It is significant that the subject is now being considered by the large textile trade union federation of northern France, which has its headquarters at Roubaix.

Armentières.—The scheme in this town was started in April, 1908, and is interesting because it follows the suggestions of the Northern Section of the Association for the Legal Protection of Workers. £120 a year is voted by the municipality for the payment of subsidy in accordance with the scheme of the Northern Section; £80 (two-thirds) is for distribution according to benefit paid, £40 (one-third) according to number of members. The result has been that, whereas the whole of the £80 allotted during the two years 1908 and 1909 for subsidy according to number of members was distributed, only £25 has been distributed according to benefit, this being the amount for distribution at the percentage fixed in the regulations. The total amount paid out during these years in benefit by associations participating was £99, so that the total subsidy paid slightly exceeded the total amount paid in benefit. This shows a clear defect in the system—the subsidy may be too large in proportion to the effort made by the men themselves. There is much to be said for distributing part of the subsidy according to number of members instead of distributing the whole according to benefit paid, but to safeguard against the danger that the amount of subsidy may be too large, it seems well that the total amount to be distributed should be in proportion to benefit paid, even if part is distributed, not according to benefit, but according to number of members.

Troyes.—The scheme in this town is of little importance. It merits separate mention only because it differs from that adopted generally in the French towns. The scheme is in

many respects similar to that at Berne and Cologne, except that it is apparently maintained by a private society, with, however, subventions from municipality and department. Honorary members are admitted as well as benefit members. The latter are divided into two classes: (1) those engaged in industries which generally keep going all the year round; (2) seasonal workers; the latter pay a higher rate of premium. Women are also admitted, and may pay lower rates of premium than men, and receive lower rates of benefit. By paying a special premium in respect of each child aged less than sixteen years, a parent may receive a special addition to his benefit in case of unemployment.

The town paid a subsidy of £80 in each of the years 1908, 1909 and 1910, and the department a subsidy of £20 in 1909. The members of the fund in 1909 comprised ninety-three men and seventy-six women, while special contributions were also made by members in respect of thirty-five children: only two of the members belonged to the seasonal trades. A little over £17 was paid out in benefit during the year. In October, 1909, the fund had assets to the value of £280. By October, 1910, the membership had increased to 291, including in this number the children for whom special payments were made by their parents. Several groups of employers subscribe to the fund, and it appears that the difficulty of attracting members is increased by the fact that workmen have a wrong impression that the society is run by employers. But, quite apart from this, the experience of other towns goes to show that little will be accomplished by such means alone towards solving the problem of provision against unemployment.

Some further details respecting the scheme at Troyes and those in some other French towns are given at the close of the chapter.

Summary.—Taking France as a whole, comparatively little has been accomplished in the way of insurance against unemployment, chiefly because, as a rule, the trade unions have not up to the present paid much attention to this

question. The amounts distributed by the central and local authorities are therefore not large, and so far as the state subventions go, there has not been much growth of insurance since they were first granted in 1905.

It seems clear, however, that the subventions given by the communes have stimulated insurance against unemployment to some extent, though not so much as was at first too hopefully expected. Of necessity, in a country where this form of provision has not hitherto prevailed to any considerable degree, progress at first must be slow, just as there is little outward growth in a plant at the beginning, its energies being spent in becoming well rooted. Of late there seems evidence that progress will be faster in the future. Writing of communal schemes for assisting insurance against unemployment, M. de Lauwereyns de Roosendaële, in a report presented to a congress held at Lille in June, 1909, states: "Unknown in the north [of France] scarcely two years ago, these institutions of social insurance have multiplied suddenly;" and the proceedings at the Unemployment Conference held at Paris in September, 1910, also demonstrated the interest which is being taken in the question.

It is, of course, with the workmen that the settlement of the question really lies; it is they who will determine how far insurance will go, and there is little doubt that France will repeat the experience of other continental countries, and that, as the trade unions advance in their work of ameliorating the conditions of their members, they will pay more and more attention to the need of securing provision against unemployment, and once this need is firmly and widely realised, the incentives of subsidy offered by state, department, and commune will be a powerful fostering influence to bring effective provision to rapid growth.

Statistical Tables in the Appendix (pp. 327—9).

Table XX.—Subsidies paid by the state, 1905—9.
Table XXI.—Particulars of associations to which subsidy paid, 1909.
Table XXII.—Occupations of members of associations to which subsidy paid, 1909.

Summary of Details.

The different kinds of associations which may receive subsidy from the state are—

(1) Occupational associations, associations restricted to a particular trade, or to trades closely connected with each other. These associations may be—
  (*a*) General associations—which have at least 1,000 members, and operate in at least three departments;
  (*b*) Local associations with at least 100 members;
  (*c*) Local associations with from 50 to 100 members. These associations only receive subsidy if they are also assisted by a commune or department.

(2) Inter-occupational associations—not restricted to a particular trade or trades. These may only receive assistance—
  (i.) When they exist in communes with a population of under 50,000 persons;
  (ii.) Have at least 50 members; and
  (iii.) Are also subsidised by a commune or department.

(3) Associations for travelling benefit, which may be formed by the affiliation of other associations. The normal resources of the affiliated associations must be provided by the contributions of members.

The committee of supervision consists of—
1 senator.
1 deputy.
5 officials.
4 representatives of affiliated associations.
1 member of the Conseil supérieur des societés de secours mutuels, chosen by the Conseil.

With the exception of the last-named member and four of the officials who are members by virtue of their office, the members are chosen by the Minister of Labour. They hold office for one year.

Operations of the state scheme for the year 1909:—

The number of associations which received subsidy in both half-years was	59
The number of associations which received subsidy in only one half-year was	35
Total	94
Average number of members of the associations	40,016
Number unemployed	7,343[1]
Number of days for which subsidy paid	94,610
Subsidy paid by the state	£1,681
Benefit paid by the associations	£7,436

which is equivalent to nearly 1*s.* 7*d.* per unemployed person per day of unemployment.

[1] This number does not strictly represent the number of different persons unemployed and assisted, as it appears that in some instances the same person who has received benefit at different periods has been counted more than once. If a person received benefit in each half-year he would apparently necessarily be counted twice, since the accounts are submitted, and subsidy distributed, half-yearly.

Of the 32,898 members of associations which received subsidy in both half-years—

14,746 were members of the three general federations;
16,121 were members of local associations each having at least 100 members.

Of 32,491 persons whose occupations are given—

12,748 belonged to the printing, bookbinding, etc. trades;
7,217 to commerce, transport, and warehousing;
5,348 to the textile trades;
4,101 to metal trades;
1,364 to trades connected with stone and earth work (stone-cutting at quarries, manufacture of bricks. cement, plaster, pottery, drain pipes, etc.; also diamond-cutting).

No other trade had as many as 600 members among the 32,491 persons.

The following are particulars of the operations of the three federations during 1909:—

Number of members	14,746
Number of members who received benefit	3,182
Number of days of unemployment for which benefit paid	33,707
Amount paid in benefit	£3,453
Subsidy received from the state	£993

Communes and Departments.—Subsidies distributed by communes and departments in 1907, 1908 and 1909:—

Year.	By communes		By departments.	Total	
	which had fixed conditions of distribution.	which had not fixed conditions.		of subsidies distributed.	proportion of subsidies distributed of credits voted.
	£	£	£	£	
1907	1,366	145	86	1,597	53 per cent.
1908	1,405	193	136	1,734	49 ,,
1909	2,158[1]	175	276	2,609	57 ,,
Total.	4,929	513	498	5,940[2]	53 per cent.

[1] Excluding from £160 to £240 distributed by Limoges for the second half of 1909; this subsidy had not been distributed when the above particulars were obtained.

[2] In addition, a small amount was distributed by the town of Agen during the years 1907—9.

Lyons.—Particulars of the subsidies paid by the municipality of Lyons to insurance against unemployment:—

Year.	Number of affiliated associations.	Number of members.	Benefit paid by the associations.	Subsidy paid by the municipality.[1]
			£	£
1907	34	4,048	815	756
1908	39	3,837	950	721
1909	46	4,064	1,082	837

Particulars respecting the several trades to which subsidy distributed in 1909:—

Trades.	Number of affiliated associations.	Number of members.	Benefit paid by the associations.	Subsidy paid by the municipality.
			£	£
Printing	6	872	405	307
Textile, clothing	10	785	216	148
Metal	7	564	101	86
Employees	2	765	83	59
Building, etc.	4	216	82	59
Paper	3	155	58	47
Other trades	14	707	137	131
Total	46	4,064	1,082	837

Roubaix.—The rates of subsidy paid under the scheme in force in this town must not exceed 100 per cent. of the benefit provided out of the workmen's own resources, or be paid for more than sixty days to the same person within the same year. Subsidy is not paid on a benefit of more than 6 francs (4*s.* 9½*d.*) a week. Subsidy is paid on savings only on condition that the account has been opened for six months at least, and that the money withdrawn has been deposited for not less than three months. Subsidy is not paid on more than 1 franc (9½*d.*) a day withdrawn.

The receipts and payments for the first two years, 1908 and 1909, have been—

Receipts—£400 from the municipality;
£80 from the department;
£902 from employers' associations;
£80 from the employer-members of the Conseil de Prud-hommes;
£80 from the Chamber of Commerce.

[1] Being of the same amount as was paid in premiums by insured members.

Payments—£82 in subsidy and expenses of management, etc.
In 1909, £34 was distributed in subsidy to 122 unemployed persons for 1,680½ days of unemployment.
The association which pays subsidy had assets to the value of £1,502 at the end of 1909.

Troyes.—A society was formed in September, 1908, for provision against unemployment: it consists of honorary (subscribing) and benefit members, and is administered by a committee of twelve—four honorary members, four benefit members, four municipal councillors, each four being chosen for three years by the group to which they belong.

The committee appoints (1) collectors of premiums, and (2) persons to assist the committee to prevent frauds. Delegates are also appointed by benefit members—two delegates for each workshop, or for each district where the workshops are small or members work alone.

Members are divided into two classes—

(1) Those who follow trades which ordinarily work all the year round. The rates of premium for these are, provisionally—4¾*d.* a month for men; 2½*d.* for women.

(2) Those who follow seasonal trades (building, gardening, clothing). The rates of premium are, provisionally—9½*d.* a month for men; 4¾*d.* for women.

The rates of benefit have been fixed provisionally, and are 1*s.* 7¼*d.* a day for men, 9½*d.* a day for women. (Women may, however, pay the higher rates of premium and receive higher rates of benefit.) Further, by paying an extra premium of 1*d.* a month for each child under sixteen years, a parent may receive an additional benefit of 3*d.* a day. Benefit is paid for a maximum period of sixty days a year. The waiting period is not to be less than six, or more than twelve, days. Benefit is not paid to a person who (1) has not been a member for six months; (2) has not resided in Troyes for twelve months; (3) has been discharged from his employment for misconduct; or (4) has left it without good cause. Before he can receive benefit a member has also to produce a certificate of unemployment, signed by his last employer or foreman, and also by the collector and two fellow-members in the same workshop or trade. An unemployed person has to report himself daily. Provision is made for the payment of benefit in respect of partial unemployment; an extension of this principle was conceded in July, 1909, in the hope of attracting more members.

Particulars of membership, and of subsidy and benefit paid, have already been given.

CHAPTER XIII.

Italy.

(1) *Milan.*

Milan possesses a very active philanthropic institution, the Humanitarian Society, founded by a bequest of £400,000, left by Prospero Loria, a public-spirited citizen of the town. The principal object of this institution is to improve the condition of the working-classes.

One of the activities of the institution is the assisting of insurance against unemployment, and for this object a sum, not to exceed £2,400 a year (the actual claims have fallen far short of this limit), has been granted since 1905. The system adopted closely follows that of Ghent. Subsidy is paid on insurance effected through voluntary associations, provided that the association is restricted to persons following the same occupation or trade, is wholly administered by the members, and is not political or religious in character. This latter condition, which is not in force at Ghent, where socialist, catholic and other trade unions are recognised, was adopted because it was felt that the recognition of such unions fostered divisions in the organisation of the workman. The subsidy is at the rate of 50 per cent. of the benefit paid by the association, but is not to exceed 4¾*d.* per day for any one person. Subsidy is not paid when the benefit received from the association exceeds 2*s.* a day. The limit was formerly 1*s.* 2½*d.*, and was raised partly because of the increased cost of living at Milan. Subsidy may be received for 60 days in the year, and it was decided in 1909 that, contrary to what generally obtains in schemes of the Ghent kind, it should be paid up to the limit of days, if the member remains unemployed, even when the benefit from the association has been exhausted. The subsidy granted in

respect of a member is paid to the association to which he belongs, which is free to use it as it thinks fit for the purpose of its insurance against unemployment.

In another way, also, the scheme at Milan goes further in assisting workmen than is generally the case in schemes of this kind, for subsidy is paid not only in respect of involuntary unemployment due strictly to want of work, but, in addition, since 1906, in respect of unemployment due to a lock-out when it is clear that the lock-out is caused on the initiative of the employer. The granting of assistance in circumstances of this kind seems of doubtful expediency in connection with a scheme for assisting insurance against unemployment, even in the case of a voluntary society, and still more so in the case of a public authority, though, as we have seen, the municipality and province of Liége grant subsidy on benefit paid in respect of unemployment due to a lock-out; but no public authority outside this province appears to do so. Subsidy is also paid at Milan when the unemployment is due to refusal to accept work at a wage lower than that which generally obtains. In intervening in this way in disagreements between employer and employed, the society endeavours always to ascertain clearly that the initiative which causes the unemployment is on the side of the employer, and tries to guard against cases in which the action of the employer is really the consequence of previous action on the part of the workmen and when, therefore, the unemployment is primarily due to the initiative of the latter. The society considers that workmen should make provision by their own unaided efforts against unemployment caused by their own action.

The committee of management of the scheme is under the direction of the president of the Humanitarian Society and consists of four members, two representing the society and two the affiliated associations.

The assistance given by the society has already largely stimulated insurance against unemployment. The number of affiliated members has nearly doubled since the commencement of the scheme. In 1908, 49 associations participated

in the scheme, with over 12,000 members.[1] The members cover a large variety of trades, from the printing and metal trades, which in most industrial countries are fairly well organised, to clerks, basket-makers, and comb-makers. The largest number of members belong to the printing, the metal, and the textile trades. No other trade claims as many as 1,000 members.

During 1908 the associations connected with the scheme paid out over £1,300 in unemployment benefit. The society added in subsidy over £500. Subsidy was paid in respect of more than 26,000 days of unemployment, and the average amount paid in benefit and subsidy per person per day of unemployment was 1*s.* 4¾*d.* Of this amount the society provided 4¾*d.*, or 28 per cent. of the total. The assistance, therefore, is not so large as to make the scheme other than one of genuine self-help.

Of the total amount paid in subsidy much the largest share, 68 per cent., went to the printing trade. This was due partly to the fact that a large proportion of the affiliated members, over 39 per cent., belonged to that trade. But it was also partly because unemployment was very severe in the printing trade, the average amount of unemployment per affiliated member in respect of which benefit was paid being over four days in the printing and kindred trades, while the average for all the persons participating in the scheme was only a little over two days. After the printers, the metal workers claimed the largest share—18 per cent. of the total.

An interesting table is given at the end of this chapter showing the causes of the unemployment in respect of which subsidy was paid during 1908 and the amount of unemployment attributed to each cause. As might be expected, much the largest portion, 80 per cent., was due to slackness of trade. Some 16 per cent. was attributed to differences between employer and employed, with regard to wages for instance, so that the society grants assistance to workmen in such circumstances to a considerable extent; another 3 per cent.

[1] By the end of June, 1910, fifty-one associations, with some 13,000 members, were affiliated to the scheme.

was due to disputes in other industries which supplied the material for those in which the unemployment occurred. No doubt many of the differences between employer and employed may be indirectly attributed to bad trade.

The experience of Milan is interesting as confirming that of Ghent. It has not been the habit of Italian workmen, even of those who are organised, to make provision against unemployment[1]. It would appear that to a large extent the Humanitarian Society has had to create its public. That it has met with so much success in stimulating provision against unemployment is a good augury of what can be accomplished.

Other Towns and the State.

The success of Milan has stirred the emulation of other Italian towns. Padua has voted a sum of £200 for assisting insurance against unemployment effected through associations. At Brescia also, under the influence of the local branch of the Humanitarian Society, the municipality has decided to assist insurance against unemployment, and other towns, including Turin and Modena, are considering the matter.

The thoughts of Italian workmen have been stirred by what has been accomplished at Milan and at some places abroad. At the congress of trade unions held at Modena in 1908 a resolution was passed calling on the government financially to assist insurance against unemployment effected through workmen's organisations. In some other quarters, also, there has been a desire for action on the part of the state.

The new movement has quickly borne fruit, for a bill on the subject was passed through the Italian Chamber in July, 1910. It now (October, 1910) awaits the consideration of the Senate.[2] This bill follows closely the system adopted in France. The following are among the principal proposals :—

1. £4,000 is to be set aside for subsidising associations which provide insurance against unemployment.

2. An association, in order to receive subsidy, must be confined to persons following the same or similar occupations.

[1] See particulars given in the first chapter, p. 30.
[2] It has now passed through the Senate.

3. And must have at least fifty members.

4. If an association has other objects besides that of insurance against unemployment, the insurance fund must be kept separate.

5. Subsidy is not to be paid in respect of unemployment due to illness, accident, invalidity, old age, strike, lock-out, voluntary surrender of work, or dismissal for a workman's own fault, or when the unemployed person refuses work offered him by the management of the insurance fund of the association.

6. Further, and this is important, subsidy is not to be paid in the respect of unemployment which is due to annual seasonal causes.

7. In case of partial employment, if the remuneration received does not exceed one-half the usual wage of the workman, subsidy may be received according to a scale to be determined.

8. The subsidy is not to be granted to the same person for more than sixty days in the year.

9. It is not to exceed 50 per cent. of the benefit paid by an association. The rate is to be fixed half-yearly by the Permanent Committee of Labour. The rate is to be higher for national federations. The subsidy is not to exceed 1s. 2½*d.* a day, save in cases where the contrary is specially decided.

10. The association is to pay the amount of the state subsidy to the unemployed person, and is afterwards to be reimbursed by the state.

Thus, if the Senate passes this law, the Italian government will follow the example of those of France, Norway, Denmark and Belgium, and will recognise, by the payment of financial assistance, the importance of encouraging insurance against unemployment among workmen. That the Italian government should so quickly have taken up the question is a striking testimony to the success achieved at Milan. It is true that the amount voted is small, only £4,000. But it will serve as a beginning. Insurance against unemployment in Italy is a plant of recent development, but under the stimulation which is being gently applied, it will probably speedily grow, and no doubt the government will readily

increase the amount of its subsidy when the need arises. And, as in other countries, not only will the workman find a new security against distress, but his organisations will be steadied and strengthened, and the community will find rich reward for the small amounts that will have been expended in fostering this beneficent provision against distress.

STATISTICAL TABLES IN THE APPENDIX (pp. 330—1).

Table XXIII. . . Operations of the Milan fund, 1905—8.
Table XXIV. . . Occupations, etc., of persons participating.

Summary of the operations of the Milan scheme:

Number of affiliated associations, July 1, 1905 . .	27
" " " 1908	49
" members, July 1, 1905	6,449
" " 1908	12,198
" days for which assistance paid, 1906 . .	12,242
" " " 1908 . .	26,309

The amount paid in benefit and subsidy per person per day of unemployment has varied from 1*s.* 3*d.* to 1*s.* 4¾*d.*, and the percentage of the total paid out of subsidy from 28 to 31 per cent.

The following table shows the causes of unemployment in respect of which subsidy was paid in 1908:—

Cause of unemployment.	Number of persons who received subsidy.	Number of days of unemployment in respect of which subsidy paid.	Percentage of total for which subsidy paid. (Days of unemployment.)
		Days.	Per cent.
Bad trade.			
Slack season . . .	787	20,368	77·4
Industrial crises . .	57	711	2·7
	844	21,079	80·1
Differences between employer and employed.			
Dismissal owing to the application of new rates of wages . . .	63	2,007	7·6
Lock-out . . .	60	1,594	6·1
Strikes in other industries which provided the raw material . . .	60	878	3·3
Disputes	94	605	2·3
	277	5,084	19·3
Bankruptcy of employer .	17	96	0·4
Suspension of work while inventory compiled . . .	7	50	0·2
Total . . .	1,145	26,309	100·0

MEMBERSHIP, UNEMPLOYMENT, BENEFIT, AND SUBSIDY IN THE SEVERAL TRADES.

Trade.	Number of members (average).	Days of unemployment for which benefit paid per member (average).	Total of benefit and subsidy received.	Percentage of total subsidy received.
			£	Per cent.
Printing .	4,977	4·2	1,247	68
Metal . .	2,628	1·6	330	18
Textile . .	2,245	0·7	121	7
Others . .	2,798	0·8	133	7
All trades .	12,648	2·3	1,831	100

The following is a summary of the operations of the Milan scheme for 1909:—

Number of affiliated associations		52
,, members		12,815
,, days of unemployment in respect of which subsidy paid by the Humanitarian Society		26,940
Benefit paid by the associations . . .	£1,442	
Subsidy paid by the society	490	
Total paid to unemployed . . .		£1,932

CHAPTER XIV.

Holland.

The Dutch national government has not as yet undertaken the payment of subsidy on insurance against unemployment. In 1907 the government proposed to include a sum of £500 in the budget to reimburse the communes one-half the amounts expended by them in assisting such insurance. The proposal was referred to a committee. In the resulting report divergent views were expressed by members of the committee, and further action was not taken in the matter. A commission is at present making investigation into the general question of unemployment.

Rapid progress, on the other hand, has been made in recent years in the assisting of insurance against unemployment by municipalities. Amsterdam, Arnhem, and Utrecht decided to give financial aid to insurance against unemployment in 1906; Hilversum followed in 1907; eleven other towns in 1908; eight more in 1909; and an additional one in 1910; making a total of twenty-four[1]: six of the twenty-four had not yet commenced operations at the beginning of 1910.

In all the towns subsidy is granted in proportion to the benefit received by unemployed persons in case of involuntary unemployment due strictly to want of work. In most instances, sixteen in all, unemployment benefit received from any association providing insurance against unemployment is subsidised; in six other towns, Amsterdam being one, assistance is given only to insurance effected through trade associations—that is, associations of which membership is restricted to persons following the same trade or allied trades; at one of these towns, Zwolle, subsidy is given only to associations

[1] Still another town has since decided to grant assistance in respect of insurance against unemployment.

formed for the sole purpose of providing insurance against unemployment. At the two remaining towns, The Hague and Dordrecht, there are special provisions. At The Hague, subsidy is paid only to persons belonging to associations which admit as members for the purpose of unemployment insurance any person following the trade to which the members of the association in general belong, even though the person does not wish to be a member of the association so far as its other objects are concerned. This provision is similar to that adopted in the Norwegian law of 1906, and it appears to have been opposed at The Hague as in Norway. Many of the trade unions have refused to accept the condition, and the number of persons participating in the scheme is small. The municipality, however, has decided to continue the system for the present. It is provided, similarly as in the Norwegian law, that the association or union may charge a member who has joined only for insurance against unemployment 10 per cent., or in special cases 15 per cent., more in insurance premiums than is paid by general members of the association, this additional payment being required because part or the whole of the expenses of management may be borne by the general funds of an association, to which funds a person who only participates in the insurance against unemployment does not contribute.

At Dordrecht, in addition to subsidising provision effected through associations, the municipality has itself founded a scheme in which workmen may insure—the practice followed, therefore, being similar to that adopted at Basle. Particulars respecting this scheme are given at the close of this chapter. The same subsidy is paid on insurance effected through the municipal scheme as on insurance provided through associations.

Subsidy is not paid by any municipality on provision against unemployment effected by individual savings.

The distribution of subsidy is generally entrusted by the communal (or municipal) council to a committee, consisting, at different places, of from three to nine members, chosen as a rule for three years. The members of the committee are

elected by the council at some places, while at others the choice is left to the burgomaster and his assistants; in some instances the management is left directly to these officials, with assistance from a committee. It is the practice to include representatives of affiliated associations on committees of management and on advisory committees.

The general rate of subsidy paid is 100 per cent. of the benefit provided out of the resources of the insured themselves. Thus 100 per cent. was paid for January, 1910, in each of the eighteen towns for which particulars are given in the appendix, p. 333, except that at Leyden only 50 per cent. was paid to printers. The grant of subsidy is in all cases subject to restrictions. The following is a brief summary of those which generally obtain :—

Subsidy is not to exceed 100 per cent. of the unemployment benefit, or generally 10*d*. per day;

or to be granted to any one person within the same year for more than fifty or sixty days; at The Hague the limit is as high as ninety days; at one town—Zeist—subsidy is only paid in respect of unemployment during the winter (November to February);

subsidy is not granted for the first few days of unemployment, generally the first week;

subsidy is not granted to a person who has not resided in the town for a period which at different places varies from six months to two years, one year being the more usual;

in several cases subsidy is not paid to persons under twenty years of age; in three cases it is also not paid to persons over sixty, and in three other cases to persons over sixty-five;

in eight cases it is stipulated that subsidy shall not be paid to persons whose earnings in the previous year have exceeded a certain average, varying from 20*s*. a week at Zaandam and Deventer to 41*s*. 8*d*. a week at Amsterdam.

Stipulations are also generally made with regard to the associations to members of which subsidy is granted—

at a number of places it is required that an association shall have at least a certain number of members, varying from ten at Zeist to fifty at Amsterdam;

all members, or all members between certain ages (*e.g.*, twenty to fifty; at two places, eighteen to sixty) must be insured against unemployment;

the funds for unemployment insurance must be kept separate from the other funds of the association;

benefit is not to be paid—

to a person who has not been a member for a period varying at different places from three to twelve months, six being the more usual; or

in respect of unemployment due to a strike or lock-out, or to sickness accident, infirmity, or old age, or to a person's refusal to accept work

in some cases it is stipulated that the rate of contribution must not be less than a certain amount, generally 2*d.* a week, unless it can be shown that a lower premium is sufficient for the benefit provided; and in some that benefit must not be less than a certain amount, generally 8*d.* a day, or be granted for less than a certain length of time in a year, usually four weeks.

Some of the towns restrict the payment of subsidy to members of associations which confine their operations to the locality. This seems an undesirable limitation, for national associations, with their larger membership and more extensive sphere of operations, provide more efficient and safer means of combating the evils of unemployment.

Some check is generally exercised by the authorities responsible for the distribution of subsidy on the unemployment in respect of which subsidy is claimed. In several towns unemployed persons are required to report themselves daily at the labour exchange. In one town, Schiedam, the committee investigate each case. At Haarlem, in the case of members of associations not restricted to a particular trade or allied trades, some of the unemployed themselves are used to check the genuineness of the unemployment of their fellows in misfortune; but each unemployed person has also to report himself at the labour exchange.

The total amount paid in subsidy has not been large up to the present. The practice of assisting insurance is of recent development. And in Holland, as in other continental countries, it is only of late years that trade unions have seriously turned their attention to the provision of insurance against unemployment.

Particulars are given in the appendix, p. 332, of the operations of eleven funds for 1909. It will be seen that some 4,300 persons received benefit from associations affiliated to the communal funds, and most of these also received subsidy; and that nearly £2,300 was paid out in benefit, and in addition over £1,800 in subsidy.

The following particulars are a summary of the information given in the *Maandschrift van het Centraal Bureau voor de Statistiek* for February, 1910, of the assistance to insurance

against unemployment given by eighteen municipal funds in respect of the month of January, 1910.

Number of associations to members of which subsidy was paid	107
Eighty-nine of these associations were trade unions or branches of trade unions. It is stated that, in addition, forty-nine associations which participate in the schemes of assistance in these towns did not claim assistance for members in respect of unemployment during the month.	
Number of members of the associations (excluding those at The Hague)	9,468
Number of unemployed in respect of whom subsidy was paid	1,476
Number of days of unemployment in respect of which subsidy was paid	19,294
Amount paid to the unemployed—	
in benefit by the associations	£809
in subsidy by the towns	£721

(According to the latest available particulars, 171 associations, with some 15,000 members, were then affiliated to these eighteen municipal funds.)

Comparing these figures with those for 1909, it will be observed that there has already been much development.

The *Centraal Bureau voor Sociale Adviezen*, Amsterdam, were so good as to make some special enquiries for me respecting insurance against unemployment in Holland. Among other matters they made enquiry as to the extent to which municipal assistance had stimulated insurance. Replies were received in respect of nineteen municipalities. In two cases the replies were indefinite; in two others it was stated that insurance had not been stimulated; and in the remaining fifteen that it had. In eleven of these fifteen cases, the number of associations which had been formed for, or had undertaken, insurance against unemployment in consequence of the municipal assistance was stated. The numbers were—most of the 24 (Amsterdam), 13 (The Hague), 11 (Utrecht), 7, 6, 5, 3, 3, 2, 2, 1. It is clear, therefore, that the aid given by the municipalities has encouraged the making of provision against unemployment.

An interesting measure was adopted at Haarlem in 1908—9 for the relief of the unemployed during the industrial depression which then prevailed. A private committee was

formed for dealing with the distress, and this committee decided to assist only those persons who joined an association which provided insurance against unemployment. The associations do not give unemployment benefit to persons who have been members for less than six months, so that persons who joined in order to qualify for relief from the private distress committee could not receive benefit in the ordinary way. But this committee placed moneys at the disposal of the associations for the payment of "benefit" to these new members, and the municipality voted a special grant of about £280 for the payment of subsidy on this special "benefit" as on ordinary benefit. A large number of persons joined the unemployment associations under these conditions. Whether they will continue members and whether they will be able to make adequate provision through insurance remains to be seen, but the experiment is suggestive.

At The Hague also the private committee formed for assisting the unemployed first aided those persons in need who belonged to associations providing unemployment insurance but had not been members for a sufficient length of time to qualify for benefit. The assistance granted to these persons was distributed through the insurance associations.

The particulars which have been given show that steady progress has been made in Holland in the assisting of insurance against unemployment. The number of towns which grant assistance has rapidly increased, and there is good reason for thinking that several additional towns will soon have to be added to the list. It seems not improbable, too, that the national government will before long join the strong current and will grant financial aid, possibly by repaying the municipalities part of the sums expended by them in assisting insurance.

TABLES OF STATISTICS IN THE APPENDIX (pp. 332–3).

Table XXV. contains particulars of the operations of 11 municipal funds during 1909; and

Table XXVI., particulars of the operations of 18 municipal funds for the month of January, 1910.

Dordrecht.—Particulars of the unemployment insurance scheme maintained by the municipality of Dordrecht for workmen who do not make provision through associations:—

Open to any workman living at Dordrecht who has followed the same occupation for six months at least, who is in regular work in normal times, and is at least 18½ years of age (this minimum is not required if the person is married or has to maintain a family) and not more than 65.

An insured person pays a weekly premium of 2*d.*; he has also to pay an entrance fee of 1*s.* 8*d.*, which may be paid in five weeks.

Benefit is at the rate of 7*d.* a day, and is not given for more than thirty days a year in respect of the same person. In addition, municipal subsidy is paid on the benefit at the same rate as in the case of insurance effected through associations.

A member is not entitled to benefit unless he has paid contributions for six months.

Benefit is not paid for the first six days of unemployment.

CHAPTER XV.

Norway.

In 1904 the Norwegian government appointed a commission to make enquiry respecting insurance against unemployment. The commission consisted of a professor of political economy, an employer, and a workman, and made very thorough enquiry into the subject. The next year a law was passed, to be subject to revision in 1911, for the payment of subsidy to voluntary associations which provide insurance against unemployment.[1] The law in essentials followed the recommendations of the commission.

The government undertook to pay to associations which provide insurance against unemployment one-quarter of the amount paid out by them in unemployment benefit to members who are Norwegian subjects or have resided in Norway for five years. The associations have to comply with certain conditions, among the principal being—

(*a*) That benefit shall be paid only in respect of unemployment due to want of work, and shall not be paid when the unemployment is due to a strike or a lock-out, or to a person who is a member of more than one association.

(*b*) That benefit shall be paid only to persons who have been members, and have paid contributions, for at least six months.

(*c*) That the amount paid in benefit shall not exceed one-half of the usual wage.

(*d*) That benefit shall not be paid in respect of the first three days of unemployment, or for more than ninety days in the year to the same person.

[1] The text of the law, and of a second law subsequently passed, is given in Schloss, Insurance against Unemployment, p. 93.

(*e*) That benefit shall not be paid to a member who refuses work offered to him by the administration of the association. In districts where there is a public labour exchange, unemployed members must register themselves at the exchange. There are public labour exchanges in most of the large towns and in some rural districts.

(*f*) That at least one half of the income of the unemployment fund shall be provided by the contributions of members.

(*g*) That associations which have other objects besides that of providing insurance against unemployment, trade unions for instance, shall keep their accounts and assets connected with insurance against unemployment quite distinct from their other accounts and assets, in a manner to be approved by the government. The unemployment insurance fund must possess a legal personality quite distinct from the trade union, and the property of the former must not be used for any of the purposes of the latter other than insurance, or be available for the general creditors of the trade union.

It is also stipulated in the law that an association must admit as a member for the purpose of insurance against unemployment any person who may desire to join, provided that he follows the same trade as the members of the association generally, even though he refuses to participate in the other objects, if any, of the association. If the association has other objects, a person admitted only for insurance has no voice in the administration, and when the expenses of the administration of the insurance fund is borne by the general fund of the association, the member admitted only for insurance can be required to pay 10 per cent. in addition to the usual rate of contribution for insurance against unemployment towards the expenses of administration, or so much as 25 per cent. with the consent of the central authority.

The reasons for making it obligatory on the trade unions

to admit for insurance any person who wished to join appear to have been—[1]

1. That it would have been unfair to exclude from the benefit of subsidy a person who was seriously desirous of insuring himself against unemployment. The trade unions practically provide the only means through which insurance may be effected. But if a person objected to the general objects of a trade union it did not seem equitable to compel him to subscribe to these as the price of finding insurance, the more so as trade union policy often takes a political direction; hence the provision that he should be able to join the insurance fund without participating in the general objects of a trade union. It was considered that the interests of the trade union were safeguarded by the provision that a person who joined only for insurance should not have any voice in the administration of the fund.

2. That, though theoretically it is open to those who object to trade unions to form special associations of their own for insurance, in practice this is often not possible. Moreover, it is desirable in insurance to have as many adherents as possible to each fund so as to spread the risk over a sufficiently wide basis; and for this reason it is not good policy to encourage the development of a number of societies with comparatively few members.

3. That if subsidy were paid only to full members of trade unions, the state would be fostering the growth of the latter and thus taking sides in the conflict between different parties in the community.

The Norwegian law follows the Ghent system in so far as the subsidies are paid to the unemployed as an addition to the benefit which they receive. The association or union advances to its unemployed member the amount of the state subsidy, as at Ghent, and is repaid every three months.

The subsidy is paid in the first instance by the central

[1] For a statement of the reasons for the provisions of the law, see La Loi Norvégienne Sur l'Assurance-Chômage, par Dr. Oskar Jaeger: Rapport No. 37; Conférence Internationale du Chômage, Paris, 1910.

government, but two-thirds of the amount granted is recovered from the local authorities of the rural or urban districts in which the persons who have received subsidy have resided consecutively for six months during the last five years. If a member has not, or cannot be shown to have, so resided in a district, the whole of the cost of the subsidy is borne by the central authority. The state also bears the whole cost of the subsidy paid in respect of workmen employed on public roads, railways, or similar works, who reside in a locality only by reason of their work.

The proportion of the subsidy paid by the local authorities is large. The persons who advocated this provision were apparently influenced by the following considerations:—

1. Poor law relief is a charge wholly on the communes. The development of insurance against unemployment through public subsidies will probably reduce poor law relief, and therefore it seemed equitable that the communes should bear at least part of the charge. A very small percentage reduction in poor law relief would cover the probable charge in respect of the subsidy for insurance.

2. By being required to pay a large part of the subsidy, the communes will be stirred to take what measures they can, such as the more judicious distribution of communal work, to prevent unemployment.

3. Effective control over the unemployment in respect of which subsidy is claimed is more likely to be exercised by the communes when they have to pay a large part of the subsidy.

On the other hand, it was felt that the state should also contribute, not simply for the general reason that the state should participate in the development of a form of providence so beneficial to the community as a whole and that the spread of insurance would also relieve certain state charges (would reduce crime, for instance), but also because under the law the subsidy was to be paid by the commune in which a person had resided for six consecutive months in the preceding five years, whereas under the poor law a commune had to support only those possessing a settlement in it. The charge on some communes would be larger

than if the law of settlement had been applied, and it seemed just that they should be relieved to some extent. The payment of a considerable part of the subsidy by the state would also make the communes more ready to acquiesce in the new charge placed upon them.

It is to be noted that the employer is not required to pay contributions. Even the working-classes are said to have been opposed to bringing in the employer. Any inclination to call upon him for payment was lessened by the fact that the whole of the charge in respect of insurance against accidents, except the cost of administration, is placed on his shoulders, and also there was some probability of the introduction of national schemes of insurance against sickness, invalidity and old age, with compulsory contributions from employers.[1] The situation, therefore, in these respects resembled that of this country.

The claims of the associations have to be submitted to, and checked by, the local authorities, and these authorities have power to appoint auditors, and to take such other steps as may be necessary for purposes of control. The claims have then to be transmitted by the local authorities to the central department which has the management of the scheme. This department is the ultimate authority. It settles claims, decides appeals, and sanctions alterations in the rules of associations. Its decisions are final.

It is seen that control on unemployment and payment of subsidy is exercised by four authorities in all—by the associations (or trade unions); by the public labour exchange, where it exists; by the municipality; and lastly, by the state. Complaint has been made that the system is too cumbrous; that it burdens the unions with unnecessary work, and adds to the expenses of administration. It is clearly desirable that control should be as simple as possible, compatible with effectiveness.

[1] A law was passed in September, 1909, to come into force in July, 1911, making insurance against sickness compulsory for persons earning not more than certain fixed annual amounts. The insured person is to contribute six-tenths of the necessary premium, the employer one-tenth, the local authority one-tenth, and the state two-tenths.

The law met with a serious check at the very outset. The National Federation of Workmen, the supreme central organisation of the trade unions, advised that application for subsidy under the law should not be made by any trade union because of the condition that persons must be admitted to insurance who did not wish to become members of the trade union, and the socialist members of parliament (the Storthing) pressed forward a proposal that the obnoxious clause should be repealed. In the meantime, not a single union of industrial workers applied for recognition under the law. Some had applied before the advice of the National Federation was issued, but they withdrew their applications. Ultimately, in June, 1908, the Storthing rejected by a large majority the proposal of the socialist deputies that the obligation of admitting non-trade unionists as members solely for insurance should be removed. In the following month also, another law was passed which increased the rate of subsidy from a quarter of the total benefit paid by the unions to one-third—a considerable concession.

The trade unions, finding that they could not secure the repeal of the clause to which they objected, and with the new inducement of a considerably increased subsidy, decided to take advantage of the benefits offered by the law. It is stated that trade unions belonging to the metal and wood trades have already received large subsidies under the law, and that by reason of the subsidies they have been enabled to increase the rate and the duration of benefit. In a number of unions, which formerly did not provide insurance against unemployment, steps were being taken to add this work to their functions so that the members may have the advantage of the state subsidy.

Among the most interesting developments of the law is the way in which it has stimulated provision against unemployment among commercial employees. Some associations of this class took steps to profit by the law even while the industrial workers hung back. The first union to make application for recognition was an association of this

class, which had not formerly provided insurance, but decided to undertake it after the law was passed. A new national union of shop assistants, clerks, etc., has also been formed for the payment of unemployment benefit, among other objects. This union appears to have been brought to birth largely because of the encouragement offered by the state to insurance against unemployment.

It has been estimated that, whereas at the time the law was passed there were only about 10,000 workers in Norway who were insured against unemployment, by the end of 1911, when the law will come up for revision, the number insured will be about 50,000 industrial workers and about 5,000 commercial employees. The first check to the law was unfortunate, and seriously endangered its usefulness. The experience shows the importance of conciliating trade union opinion and sentiment, and of working in unison with the trade unions as much as possible. But the initial obstacles once overcome, the law has been very successful and has already markedly stimulated insurance against unemployment.

CHAPTER XVI.

Strassburg.

In December, 1906, the municipality of Strassburg, which has about 176,000 inhabitants, decided to assist insurance against unemployment, and for this purpose authorised an expenditure of a sum not exceeding £250 for the year 1907. The scheme at Strassburg is, theoretically, on a narrower scale than that at Ghent. In the latter, not only is subsidy paid to provision effected through trade unions, but also on provision made through provident societies or by individual savings. At Strassburg subsidy is paid only on insurance effected through trade unions. The scheme is primarily intended to assist organised skilled workmen, though a number of associations with comparatively unskilled workmen are affiliated—printers' helpers and transport workers, for instance. It appears to have been the opinion of the municipal authorities that the best way of providing against unemployment among unskilled workmen generally, and among certain classes of skilled workmen in the building trade, such as masons and stonecutters, was by the provision of relief work; but, as will be shown later, there appears latterly to have been some modification of this opinion.

Subsidy is granted only on benefit paid in respect of involuntary unemployment due strictly to want of work. It is not granted when the unemployment is due to a strike or a lock-out, or to sickness or other incapacity for work. The rate of subsidy is fixed at 50 per cent. of the benefit, and is not subject to variation. The amount of subsidy paid per person per day is not to exceed 1s. It is paid for such period as benefit is allowed by the affiliated trade union; a maximum limit is not fixed. A person must have resided for one year at Strassburg, or one of the neighbouring communes

with which Strassburg has a special arrangement (see pp. 201—2) before he can receive subsidy. Exceptions are made in the case of men who have returned from military service, and, in certain cases, of persons temporarily residing away from Strassburg to be near their work. Similar residential restrictions apply to relief work. As is stated in the report for 1907, these restrictions may be double-edged. They may prevent persons from leaving Strassburg to look for work by the fear that by doing so they will lose their claim on the municipality for assistance in case of unemployment.

The scheme is under the management of municipal officials. There is a special committee for the settlement of disputes, composed of the chairman and two other members of the labour exchange committee, one of the two latter being an employer and the other a workman.[1]

The chief characteristic of the scheme at Strassburg is its close connection with the labour exchange. The exchange exercises a very strict check over the genuineness of claims for subsidy, and does its utmost to find work for the unemployed. An unemployed person who wishes to claim benefit must report himself at the exchange on the first day after his unemployment commences, and during its continuance must register himself at the exchange at such times as may be demanded. Usually, each person is required to register at least twice daily; and, to prevent fraud, the hours at which an unemployed person is required to register are changed from time to time: he may be released from reporting himself so frequently when the authorities are satisfied that this is consistent with due control. An unemployed person must accept work which is offered, provided that it is reasonable in kind and in wage, on pain of forfeiting his claim to benefit if he refuses. Difficulties with regard to wages are not likely to arise, for it is stated that most rates of wages at Strassburg have been fixed with the co-operation of the

[1] The labour exchange is under the management of a committee composed of equal numbers of employers and workmen, with an impartial chairman.

municipal authorities.[1] Single persons have to accept work, if suitable, outside the town, and in the first year there was some difficulty in connection with this requirement. Wages paid in country districts are generally lower than those in the town, and trade unions objected to their members' accepting work at the lower wages. The labour exchange now takes care to ascertain fully the conditions of employment, and no difficulties occurred in the succeeding two years.

The trade unions fully concur in the control of the labour exchange.

For the years 1908 and 1909 the municipality voted the same sum as for 1907, £250. The limit of subsidy was not expended in the first two years, and the municipality decided that the surplus should go to a reserve fund to provide for times of industrial crisis. It was necessary to draw on this reserve in 1909.

All the trade unions in Strassburg which provide unemployment insurance have joined the scheme. They numbered twenty-nine at the end of 1909. Their total membership, including some members who resided outside Strassburg, was over 5,000. The trades with most members were those of metal-workers, printers, and wood-workers. It is estimated that almost a third of the skilled workers in handwork and industry belonging to the classes for whom the scheme was intended participate in it. As already stated, it was considered that for masons and stonecutters, of whom there are about 1,500 in Strassburg, and generally for unskilled workmen, of whom there are about 2,300, provision is best made by relief-work.

The offer of the municipal subsidy has encouraged some classes of workpeople to provide insurance against unemployment who formerly did not do so. Thus associations of painters, saddlers, office employees and persons in public employment, butchers, and women commercial employees have provided insurance since the inception of the scheme, or are preparing to do so. It is also considered that the

[1] Report for 1907, p. xiii.

municipal subsidy has to some extent prevented persons from giving up their membership in associations which provide insurance; but the grant of subsidy does not seem to have had practically any influence in attracting members to the trade unions.

In 1909, 335 persons received assistance in respect of over 8,000 days of unemployment, an average of twenty-four days each. The subsidy paid amounted to nearly £300, an average of nearly 9*d*. per person for each day in respect of which assistance was given.

As previously stated, the subsidy paid is at the rate of 50 per cent., up to 1*s*. per day. But in practice the subsidy granted by the municipality is little more than a fourth of the total amount paid by the affiliated associations in benefit. The associations paid benefit for nearly twice the number of days for which the municipality granted assistance. One of the principal reasons for this difference has been the requirement that persons shall have resided for at least one year in Strassburg before they are entitled to subsidy. The affiliated associations also include a number of persons who reside permanently in the neighbourhood of, but outside, Strassburg. Special arrangements have now been made with two suburbs as regards persons who reside there.

The largest number of days in respect of which subsidy was paid for the year 1909 was among printers, metal-workers, carpenters, and wood-workers. Unemployment among the printers was exceptionally heavy, because of the more general introduction of composing machines at Strassburg. The introduction of the machinery is stated to have been an indirect consequence of the application of a new scale of wages.

Nearly two-thirds of the total unemployment in respect of which subsidy was paid occurred in the months from November to March inclusive. This proportion was less than in the previous year—a consequence apparently of the fact that a larger part of the unemployment in 1909 was due to industrial depression, not to seasonal changes or inclemencies. Most persons assisted were in the prime years

of life, only eleven being over sixty; and more than a third of the total number were single or without dependants.

As the municipal assistance is given in proportion to the benefit paid by the trade unions, it results that members of some unions receive more assistance than others. It will be seen from the particulars given in Table XXVIII., p. 335, that the rates and conditions of benefit in the several unions differ very considerably. Thus the period of membership necessary to qualify for benefit varies from twenty-six weeks to two years. The waiting period varies from none at all to twenty-four days, and the time for which benefit is paid from twenty-one days to twelve months. There is also marked difference in the rates of benefit In 1909, the printers to whom subsidies were granted received 1*s*. per person per day of assistance from the municipality, while the assisted members of five other associations received less than 6*d*. each per day. The printers share very largely in the municipal subsidy, for they have a high rate of benefit and no waiting period, and benefit is paid for a long time, and is also paid on Sundays and holidays. The scheme may therefore be considered open to the objection that it renders most assistance to the less needy, an objection which in some measure can be brought against all schemes in which subsidy is paid in proportion to self-help. The objection may, however, not be so serious as at first appears, for the workmen with higher rates and longer periods of benefit will probably have higher standards of living, and their need for assistance may not be so much less as may appear from the differences in rates and length of benefit.

In the reports for 1908 and 1909 interesting comparisons are made between the cost to the municipality of assisting distress through want of employment by the provision of relief work and by the payment of subsidy on insurance. In the winter 1908—9, 1,051 men were employed on relief work at a cost of some £3,610 over and above what the work would have cost under ordinary contract conditions. In the year 1909, 335 persons received subsidy on insurance against unemployment at a total cost to the municipality of about

£300. That is, the cost to the municipality in respect of each person assisted by the provision of work averaged about 68s., while the cost per person to the municipality of assisting insurance against unemployment came to less than 18s.

The comparative cheapness of assisted insurance is manifest in this case at least. The reasons are obvious. Whereas in the case of the insured the municipality has only to provide assistance, in the case of those to whom relief work is given the municipality has, to a large extent, to provide wholly for their needs during the period of assistance. Unemployment may also in some cases be more prolonged and severe among the classes of persons who are assisted by the provision of work.

The report for 1909 in addition contains very interesting information respecting an enquiry made to ascertain how many workmen of defective character or skill were included among the unemployed of the trade unions. The officials of the exchange came to the conclusion, after consultation with the officials of the trade unions, that of the 422 unemployed persons covered by the enquiry 386 (91 per cent.) were normal workers, and that only thirty-five were below normal. Of the thirty-five, eleven were of defective character —idlers, drinkers, mentally defective, etc.—and twenty-four were lacking in skill, most of them because they were too old or were young. These enquiries are important, because, as indicated in the report, public authorities should not only help to mitigate the consequences of unemployment, but should also try to prevent it.

At the annual conference between the officials who manage the scheme and representatives of the trade unions it was agreed, with the full concurrence of the latter, that it was desirable that persons who were no longer qualified for the skilled occupations which they had hitherto followed should be required to accept work in other, including unskilled, employment for which they were suited. At the same conference the question was considered whether different rates of subsidy should not be paid to persons with, and to persons without, dependants, a higher rate being paid to the former, as at

Mülhausen. It was decided that the question should be submitted to the affiliated trade unions.

The control of the labour exchange is very effective; a person would need to be very circumspect to evade the strict check which is exercised. There have been some attempts at fraud, but they have been few. It is interesting to note that in the report for 1909 stress is laid on the necessity for purposes of control, especially in the case of workers in the less skilled occupations, of having officials who are in touch with the trade unions and with workmen generally, so that they shall thus have means of ascertaining whether a claimant's alleged unemployment is genuine and involuntary; and it is stated that Strassburg has an advantage in that the two officials who check the unemployment were formerly trade unionists. This suggests whether it would not be possible to secure more effective control by leaning more on the trade unions themselves and strengthening their check on unemployment instead of emphasising an independent check, valuable though the latter may be.

The control of the labour exchange is not mechanical. It is modified to meet the requirements of particular cases. Thus an upholsterer who, owing to the prevailing conditions of trade, was not likely to have any chance of finding work for a considerable time, was released from the requirement of reporting himself daily at the exchange in order that he might attend classes.

Ordinary work was found through the labour exchange for many of the unemployed. In 1909 nearly 37 per cent. of the cases of unemployment were provided with work in this manner. Eight persons refused to accept work offered them outside the town, and thereby forfeited their right to subsidy. The labour exchange itself has benefited in that it has secured a better class of applicant for work.

The scheme has been worked in closest co-operation with the trade unions. Their wishes have been consulted in so far as they have been consistent with the main intention of the

scheme. During the three years of its existence it has been found necessary to refer only one case to the committee for the settlement of disputes, a striking testimony to the harmony with which the work has been carried on. The trade unions in 1908 thanked the municipality for the measures they had taken to assist insurance against unemployment. It is emphatically stated in the reports that no general difficulties have arisen in exercising effective check on the unemployment in respect of which subsidy has been paid. The report for 1907 also emphasises the importance to the community of the co-operation for a common purpose of the municipality and the workmen's organisations.

Strassburg fully realises its position as a pioneer in Germany of the work which it is doing, and clearly hopes that, if the scheme there is successful, what has been achieved will move the imperial government to national action. An interesting suggestion is made in the last report, especially having regard to the fact that apparently Strassburg has in the past contented itself mainly with the provision of relief work to meet distress through unemployment in the building trade. It is suggested that it will not be possible, as time goes on, to provide sufficient relief work; that it is very necessary that workmen connected with the building trade should be insured against unemployment; and that power should be given to local authorities to make insurance compulsory for these workers.

The success which has been attained in Strassburg has stirred some other German towns to adopt similar schemes. Reference will be made to these in the next chapter. It will be sufficient to mention here that two independent suburb townships of Strassburg, Schiltigheim and Bischheim, with a population of 23,000, have voted sums of money for assisting insurance against unemployment on the lines of the Strassburg scheme.[1] And to avoid hardship an agreement has been made between Strassburg and these

[1] Another neighbouring township, Illkirch-Grafenstadten, has since followed the example of Schiltigheim and Bischheim.

two townships that the year's residence which is necessary to qualify for assistance may be at any one or more of the three places, so that, for instance, a man who has resided for only three months at Strassburg, but who had resided during the previous nine months at either of the two townships, can claim immediate assistance in case of unemployment. This is an interesting development, and perhaps foreshadows a series of agreements between local authorities with schemes for assisting insurance against unemployment.[1]

STATISTICAL TABLES IN THE APPENDIX (pp. 334—6).

Table XXVII.—Operations during 1907—9.
Table XXVIII.—Particulars respecting affiliated trade unions—membership, benefits, subsidies.

SUMMARY OF DETAILS.

Operations during 1909:—	
Number of unions participating	29
Number of members (on January 1, 1910)	5,115
Number of members assisted	335
Number of days in respect of which—	
Benefit paid by trade unions	15,459
Subsidy paid by the municipality	8,095
Amount of—	
Benefit paid by trade unions	£1,145
Subsidy paid by the municipality	£300
Ages of unemployed who received subsidy during 1909:—	
Not over 40 years of age	256
From 41 to 50 years	50
From 51 to 60 years	18
Over 60 years	11
	335

Of the 335 persons assisted—
116 were single or without dependants;
219 were married.

Period for which subsidy paid in 1909:—

107	members	received	subsidy	for	from 1	to 10 days
141	"	"	"	"	" 11	to 30 "
62	"	"	"	"	" 31	to 50 "
19	"	"	"	"	" 51	to 100 "
6	"	"	"	"	over	100 "

335 received, on the average, subsidy for 24 days each.

26 exhausted their limit of benefit and were still unemployed.

[1] A similar arrangement has been made in the scheme adopted at Schöneberg, to which reference is made in the next chapter.

Of the total number of days in respect of which subsidy was given, the number during the months of—

December, January, and February was	3,609
November and March	1,678
April and October	854
May and September	801
June, July, and August	1,153
	8,095

Of the trade unions (or branches) affiliated on January 1, 1910—

3 had over	500 members
8 had from	100 to 500 ,,
6 had from	50 to 100 ,,
12 had under	50 ,,

The largest unions (or branches) were—

Metal-workers	with 1,147 members
Printers	,, 716
Woodworkers	,, 600
Communal and state employees	,, 366 ,,
Carpenters	,, 318 ,,

The smallest union (or branch)—of porcelain workers—had only four members.

The trades with the largest amount of unemployment in respect of which subsidy was paid in 1909 were—

Printers	2,197 days
Metal-workers	1,853 ,,
Carpenters	1,212 ,,
Woodworkers	1,137 ,,
Transport-workers	404 ,,
(Other trades	1,292 ,,)
Total	8,095

CHAPTER XVII.

Germany (excluding Strassburg).

The Empire and the States.

The Imperial Government.—There is no present prospect that the imperial government will undertake the assisting of insurance against unemployment in the near future. The subject has been discussed in the Reichstag, but the government was not favourable to any scheme of assisted insurance. The Ghent system found much support from some speakers. The governments of some of the states appear to consider that, if insurance against unemployment is to be assisted, the imperial government should undertake the work, but that the time is not ripe for its doing so, especially having regard to the fact that there does not yet exist in Germany a comprehensive system of labour exchanges.

The German trade unions, at least the *Gewerkschaften* (social democratic unions), which are much the more numerous and powerful, are strongly in favour of the Ghent system. A resolution to this effect was passed at the annual congress held at Stuttgart so far back as 1902, and the opinion is still held. They consider that the trade union is the only organisation through which insurance against unemployment can properly be made, and that the public authorities, imperial, state and communal, and also the employer, should be required to subsidise insurance so effected, the matter to be regulated by an imperial law which should fix the amounts to be contributed by the several parties. They feel that the imperial government refuses to move in the matter because of antagonism to the organisations of the workman. They rightly foresee many difficulties to any scheme of compulsory insurance.

Bavaria.—The question of assisting insurance has been actively considered in some of the states, in Bavaria especially. A committee, consisting of representatives of different interests, called together by the government, recommended that local authorities should adopt measures which in essentials are very similar to those undertaken at Basle. The committee suggested—

(*a*) That local authorities should grant assistance to provision made against unemployment, whether made by insurance through the workmen's own organisations or in a municipal scheme (described in the next paragraph), or by individual savings. Provision through individual savings, however, should be assisted at a lower rate.

(*b*) That local authorities should establish a scheme for those not otherwise insured against unemployment. This scheme should be self-supporting except that the cost of establishment and of administration should be defrayed by the local authority; but subsidy should be paid on insurance effected through the scheme, as stated above.

(*c*) That, where the municipality had not itself provided a scheme of insurance, assistance should be given to unemployed persons who had not made special provision against unemployment.

(*d*) That the state should repay to local authorities 50 per cent. of the sums expended by the latter in granting assistance.

The government in 1909 called the attention of the larger towns to the necessity of taking measures against umemployment, and recommended for their consideration a model scheme for assisting insurance. Details of the scheme are given at the end of this chapter; it follows in the main the recommendations made by the committee. One interesting suggestion is to the effect that, in the case of persons insured in a municipal fund who are members of a trade union which does not provide insurance against unemployment, use should be made of the trade union for the collection of contributions and the payment of benefit. This liberal attitude towards

trade unions would probably be justified by the results. Not only would expenses of management thus be reduced, since part of the work would be done by the trade unions, but the latter might also be stimulated to provide insurance themselves for their members.

Despite the recommendations of the government—which, however, were not accompanied by any promise of financial aid—a scheme such as that suggested has not been adopted by any town.[1] Erlangen is the only municipality in Bavaria which at present assists insurance against unemployment, and there the practice was adopted before the government issued its recommendations. Had the government undertaken to make grants to towns which assisted insurance against unemployment, it is not unlikely that a number would have done so. At Munich especially, financial aid from the state would probably have brought to a head the deliberations which have been going on for some years.

Opposition to the granting of financial aid has come from employers and from representatives of agricultural interests. The former seem to be opposed to any scheme, especially on the Ghent model, which they think will strengthen the trade unions. The latter contend that agricultural workmen have practically no personal interest in insurance against unemployment, and that state assistance would add still more to the burden of taxation on the land, and, by improving the condition of the urban workman as compared with that of his rural fellow, would intensify the existing disquieting drift from the rural districts. But party antagonisms, apart from the merits of the question, seem to have been a more important hindrance to practical measures than opposition of employers or agriculturalists. In the *Sociale Praxis* for February 17, 1910, it is stated, with regard to the rejection of a further

[1] Since the above was written Augsburg has moved in the matter. Proposals were made for adopting a scheme similar to that suggested by the Bavarian government. Only seven out of about 18,000 unorganised workmen in the town notified a desire to join a municipal fund for unemployment insurance, another testimony to the difficulty of accomplishing much in this way. The result of this failure was that the whole scheme was abandoned.

proposal that the state should assist insurance against unemployment,—"Thus in consequence of the antagonisms of parties—antagonisms of which the government gladly makes use because of the financial difficulties to be faced—was again rejected the establishment in Bavaria of unemployment insurance after the Ghent model, although all parties recognise the utility of the system."

Baden.—At Baden also the subject has received much consideration, and an excellent report has been presented to the government. The conclusions of this report are in the main similar to those reached at Basle and in Bavaria—that local authorities should assist insurance effected through the workmen's own organisations, and should also, either individually or in combination, provide means of insurance against unemployment for those not otherwise insured. It is further suggested as worthy of consideration whether power should not be given to local authorities to compel persons not otherwise insured to join the scheme set up by the local authority.

A conference was called to consider the report. The attitude of employers and representatives of the agricultural districts was much the same as in Bavaria. The former opposed the assisting of insurance, and asserted that so long as the demand for agricultural labourers exceeded the supply it could not be said that any really genuine unemployment existed. It was pointed out at the conference that twenty-five years ago employers had equally opposed assisted insurance against sickness. The representatives of the workmen favoured the Ghent system.

Other States.—The question has also been discussed in the parliaments of Saxony, Würtemberg, and Hesse. In the Saxon parliament a proposal was made in January, 1910, that the government should encourage local authorities to assist insurance against unemployment, and should repay part of the sums expended by them in granting assistance. The proposal was not carried. In Würtemberg also, a proposal that the state should grant assistance to trade

unions which provided insurance against unemployment was rejected.

In Hesse, an enquiry was made as to the necessity for assisting insurance against unemployment. It appears that in the smaller towns the need for doing so was not felt, but that some measure of the kind was considered desirable in the larger towns. It was the general opinion, however, that the burden of giving assistance should be borne, not solely by the local authorities, but also by the states, and especially by the imperial government.

Municipalities.

In Germany, as in other countries on the continent, municipalities have very large powers, and a scope for initiative beyond the dreams of an English town. The schemes of assisted insurance at Cologne, Leipsic, and Strassburg have already been described. The question has been very closely considered at several other towns—Berlin, Hamburg, Munich, Düsseldorf, and Nuremberg among others. In some towns schemes have already been adopted.

Erlangen.—This Bavarian town of some 24,000 inhabitants has granted assistance to insurance against unemployment since the beginning of 1909. The scheme of assistance in part follows that of Strassburg, but is not restricted to insurance effected through the workmen's own organisations—a difference which is of theoretical importance only. The payment of subsidy, however, is restricted to skilled workmen for whom relief work is not suitable.

Subsidy is granted at the rate of 50 per cent. of the benefit provided, but is not to exceed $7\frac{1}{4}d.$ per person per day, or £60 in the aggregate for the year. It may be paid for six weeks in the year, but is not to be granted in respect of the first seven days of unemployment. The accounts of an association which relate to insurance are to be kept separately from those relating to other objects of the association.

But the scheme also provides that assistance at the same

rate shall be given to any skilled workman out of employment, whether insured or not, and thus essentially departs from the underlying principle of the Strassburg and other similar systems, which base their assistance on the principle of self-help. To give assistance to a person who has not himself made provision becomes in fact simply a dole, and is avowedly the correlative for the skilled man of relief work for the unskilled.[1]

The subsidy or assistance is given only to men who have their settlement in the town, or, if they are married, have at least resided there for three years. The scheme is worked in closest connection with the labour exchange, and work offered through the exchange must be accepted on pain of forfeiting any claim to assistance. There is a special committee for the settlement of disputes.

Mülhausen.—A scheme for assisting insurance, modelled on that at Strassburg, came into operation at Mülhausen, a town with some 97,000 inhabitants, on December 1, 1909. The town council voted a credit of £100 for the purpose. The subsidy is at the rate of 80 per cent. of the benefit paid by the trade unions for persons with dependants, and 70 per cent. for persons without dependants, but is not to exceed 1s. per person per day. The subsidy is given only to persons who have resided in the town for an unbroken period of one year. An unemployed person who wishes to claim benefit must report himself at the labour exchange the first day after he becomes unemployed, and must register himself there daily while out of work. Single persons must accept work outside the town if offered to them. Associations having other objects besides that of insurance against unemployment must administer the insurance funds separately. There is a special committee for the settlement of disputes, consisting of a representative of the labour exchange

[1] It will be remembered that even at Strassburg relief work is systematically provided in winter for the unskilled and for certain skilled workers in the building trade. But the possibility of continuing this practice to any adequate degree is becoming doubtful (see p. 201).

and of an employer and an employee, chosen by the communal council.

The council has directed that steps shall be taken to introduce a municipal scheme of insurance for unorganised workmen.

Freiburg (*Baden*).—In February, 1910, the town council of Freiburg (84,000 inhabitants) reported favourably on the adoption of a scheme for the assistance of insurance against unemployment after the Ghent model, and included a sum of £150 in the estimates for this purpose. A scheme on these lines was carried in the common council in March—but only by the casting vote of the chairman. Subsidy is to be paid:—

(*a*) On insurance effected through the workmen's associations;

(*b*) On provision effected by individual savings made in connection with the labour exchange, which is a well-developed institution. The amount of the special savings is not to exceed 40*s*. The depositor retains control of his deposits, but can only receive subsidy on withdrawals not exceeding 1*s*. a day made by reason of unemployment.

It is hoped apparently that associations of workpeople which do not provide insurance will encourage and facilitate the participation of their members in this provident scheme. It remains to be seen whether it will meet with any greater success than the similar scheme tried at Ghent.

Subsidy is to be at the rate of 50 per cent., but, as at some other places, is not to exceed 1*s*. per person per day. It is not to be received for more than forty days in any one year. As elsewhere, it is only paid in respect of involuntary unemployment due strictly to want of work.

The scheme is to be worked in closest connection with the labour exchange. Claimants have to report themselves on the first day after unemployment, and must accept suitable work offered to them. As at Mülhausen, single persons

have to accept work outside the town unless there are special reasons to the contrary. Subsidy is not paid in respect of the first six days of unemployment. There is a special committee for the settlement of disputes, composed of the chairman and two members, one an employer and the other a workman, of the committee supervising the labour exchange.

The following classes are excluded from the benefit of the scheme:—

(*a*) Workmen for whom relief work is especially suited, labourers, masons, and stone-cutters, for instance. Relief work is provided by the municipality in winter. £2,200 was voted for this purpose in the winter 1908—9, and £2,500 in the winter 1909—10—about twice as much as the work provided need have cost under ordinary contract conditions.

(*b*) With certain exceptions, persons who during the past two years have been engaged in agriculture or forestry outside the town. It is hoped by this provision to prevent any tendency in the scheme to attract agricultural workers to the town.

(*c*) Persons who have not lived continuously in the town for at least one year within the last three years.

Heidelberg.—The town council included in its budget for 1910 the sum of £50 as a preliminary measure towards assisting insurance against unemployment.

Nuremberg.—The finance committee of the municipal council has proposed that the municipality—

(1) should pay a subsidy of 6*d*. a day on unemployment benefit granted by associations of workmen, provided that the benefit is not less than 6*s*. a week for unmarried men under twenty-five years of age, 7*s*. for other unmarried men and for single women, and 10*s*. 6*d*. for heads of families;

(2) should establish a municipal insurance scheme in which persons living in the town may be insured against unemployment, the payment of benefit to begin after one year's

membership, and to be paid only on unemployment over and above the first week.

These proposals contain two noteworthy features—

(*a*) The subsidy is to be a fixed amount; this would be advantageous to the unions in which the rate of benefit is not high, but the advantage is largely discounted in this particular scheme by the condition to which reference is next made.

(*b*) The benefit is to reach a certain minimum before subsidy will be paid. Such a condition is of doubtful expediency, for it does not offer encouragement where encouragement is often most needed—to the lower-grade workers who would find it difficult, at first at least, to provide liberal rates of benefit.

Munich.—The question of assisting insurance against unemployment has been as much considered in Munich as in any other of the German towns. The former municipal statistician, the late Dr. Singer, made strenuous efforts to get a scheme adopted on the Ghent model, and proposals on these lines have found much public support; but the municipality has up to the present not taken the plunge.

During the early part of 1909 a sum of £3,500, of which the municipality contributed about one-half, was distributed among the unemployed at Munich. This practice of distributing relief in money to unemployed persons has been adopted by some other German towns during times of exceptional trade depression. Particulars of the distribution at Munich and at some other towns are given at the end of this chapter. The payment of doles after this fashion is scarcely a satisfactory procedure, even as a temporary expedient, other than in very exceptional circumstances. An interesting feature of the assistance given at Munich was that control over the unemployed trade unionists to whom grants were made was exercised through their trade unions. This method of control is said to have been satisfactory.[1]

[1] In addition to the places mentioned, a scheme for assisting insurance against unemployment has now been adopted by the municipality of Schöneberg, a suburb of Berlin, with a population of

SUMMARY.

It is felt by many that the imperial government should undertake to assist insurance against unemployment. Some favour the Ghent or Strassburg system, while others consider that a scheme of imperial insurance against unemployment should be established in conjunction with one of the existing systems of insurance. There are at present no signs that the imperial government will take immediate steps in the matter, and it seems to be felt by many persons in authority that a better and more comprehensive organisation of labour exchanges is an essential preliminary to any imperial measures with regard to insurance against unemployment.

The pressure on the governments of some of the states to assist insurance against unemployment is stronger, and it is not unlikely that some of the southern states at least will move in the matter in the near future. If they do undertake to pay subsidy, this will probably be by way of repaying to local authorities part of the sums expended by the latter in assisting insurance. It is likely that it will be left to the local authorities to decide whether and to what extent they will grant subsidy, and it seems probable that if the states undertake to repay part of any subsidy that is granted several additional towns will establish schemes of assistance. The type of scheme theoretically most in favour appears to be on the lines of that adopted at Basle, in which provision is made for establishing an unemployment insurance fund maintained by the local authority, and for granting financial assistance to insurance made against unemployment, whether through the workmen's own organisations or through the scheme of the local authority. In the southern states and towns there does not seem to exist that degree of distrust of workmen's

170,000 persons. Subsidy at the rate of 50 per cent. will be granted (1) on benefit paid by trade unions, (2) on withdrawals made by reason of unemployment by persons not insured in trade unions from special accounts in the municipal savings bank. Check on unemployment will be exercised by the municipal labour exchange. It is interesting to note that the municipality decided that the imperial legislature should be petitioned "to allow the town of Schöneberg to make the insurance against unemployment compulsory for the building trades" (Article by Ed. Bernstein in *The Nation* of January 7, 1911).

organisations which appears to prevail in some other German districts, though even in the south, as we have seen, the employers at least are still hostile to any system similar to that at Ghent, fearing that the trade unions would be strengthened thereby.

At the same time it appears to be considered that for certain classes of workmen, more particularly labourers and some classes of skilled workmen in the building trade, municipalities should specially provide work during times of trade slackness, and it is a common practice in German towns to postpone work for the time of winter depression. The scheme of assisting insurance against unemployment adopted at Strassburg is built on the assumption that winter employment will be found by the municipality for unemployed workmen belonging to the classes mentioned. It is significant, however, that in the last report it is suggested that insurance should be made compulsory for persons connected with the building trade—the class of workmen, that is, for whom, with unskilled labourers, relief work is generally least unsuited. In times of exceptional industrial depression, some towns have distributed assistance in money to skilled workmen as a correlative of the provision of work for the unskilled. It is open to question whether it has not been too readily accepted in some cases that unskilled workmen cannot make reasonable provision against unemployment through insurance. Some relatively unskilled workmen participate even in the Strassburg scheme, and in some other schemes which have been suggested, notably that recommended by the Bavarian government to the larger towns of the kingdom, the unemployment insurance fund which it is recommended that local authorities should establish appears to be intended, in part at least, to provide opportunities for insurance to unskilled workers.

Summary of Details.

Bavaria.—Particulars of the model scheme recommended by the Bavarian government in 1909 to nine of the larger towns:—

Two communal institutions should be set up in connection with insurance against unemployment:—

(1) An insurance fund should be established and maintained by the

municipality. Members should pay contributions, and receive benefit in case of involuntary unemployment due to want of work. Membership should be open to any workman who is over eighteen years of age and not over sixty, who is able-bodied, is not earning more than £100 a year, and is not otherwise insured against unemployment. Women should only be admitted as members if they are single or widowed or permanently separated from their husbands, or have to maintain a family owing to the incapacity of the husband. Persons who during the last three years have been employed in agriculture or forestry outside the commune should be excluded from membership.

Municipal assistance should not be given to the fund except as provided in (2) below, but the municipality should bear the cost of its establishment and administration. Members should pay a small entrance fee, and contributions should be graded according to their occupations and family circumstances. The contributions according to occupations should be graded into four classes:—

(i.) Skilled workmen in regular employment;
(ii.) Unskilled workmen in regular employment;
(iii.) Unskilled workmen in seasonal employment;
(iv.) Skilled workmen in seasonal employment.

A person should be entitled to benefit in the first instance only after he has been a member for at least fifty-two weeks and has paid his contributions, and subsequently only after he has paid forty weeks' contributions within the last fifty-two weeks, or eighty weeks' contributions within the last 104 weeks. Benefit should not be paid for the first seven days of unemployment or for more than sixty days in the year to the same person. Provision should be made for the payment of higher rates of contributions by persons who are a heavy charge on the fund, and on the other hand for the repayment of part of their contributions to persons who have made little claim on the fund. The rates of benefit should be fixed from month to month according to the resources available.

Unemployed members should be required to register themselves daily at the labour exchange and to accept suitable work offered even if outside the town and in a different occupation from that usually followed by them. Married members should be required to accept work outside the town only if there are reasonable facilities for the care of, and intercourse with, their families.

In the case of members of trade unions which do not provide unemployment insurance, contributions should be collected and benefits paid through the unions.

(2) A fund, to be formed from contributions by the commune and from gifts, should be established for assisting provision made against unemployment whether the provision be made—

(i.) By insurance in the municipal fund;
(ii.) By insurance in a voluntary association (trade union, for instance); or
(iii.) By individual savings in the savings bank.

Provision made in either of the first two ways should be subsidised at the same rate. Provision made through individual savings should be subsidised at half this rate. (Suggestions are also made as to the amount of individual savings on which subsidy should be paid and the period for which the savings should have existed.) A limit should be fixed to the total amount which might be received by an unemployed

person from all sources, in order that there should be no incentive to slackness in the endeavour to find work.

Both institutions—(1) and (2)—should be managed, under the oversight of the municipal council, by a committee containing representatives in equal numbers, excluding the chairman, (i.) of the municipality, and (ii.) of the persons and associations participating. The chairman should be an official of the municipality. Persons entitled to receive subsidy from the municipality in case of unemployment should be given preference in work found through the labour exchange.

Erlangen.—Particulars of the assistance given to unemployed persons (including subsidy on unemployment insurance) in the year 1909:—

The number of persons assisted was—		
organised workmen	60	
unorganised workmen	29	
Total		89
Number of days in respect of which assistance given to—		
organised workmen	1,326	
unorganised workmen	687	
Total		2,013
Amount of assistance given to—		
organised workmen	£39	
unorganised workmen	21	
Total		£60

Of the twenty-nine unorganised workmen who received assistance seventeen belonged to the building trade.

Munich.—Particulars of assistance in money given by the municipality in the months of January to March, 1909, to unemployed workmen:—

The assistance was given to workmen who—

(*a*) had resided at Munich without a break since January 1, 1908, and in the case of single workmen, were also settled there;

(*b*) had been generally at work during this time; and

(*c*) had been unemployed for at least eight days.

Payments were made through the district poor law committees, who also checked the unemployment in the case of unorganised workmen. The unemployment of organised workmen was checked by their trade unions.

The following are brief particulars of the assistance distributed:—

Number of persons reported as unemployed		6,463
Of these 69 per cent. were organised workmen.		
31 „ „ unorganised „		
65 per cent. were "industrial" „		
35 per cent. were unskilled „		
Total amount received for distribution		£3,560
The municipality contributed	£1,700	
There was received from a fund	1,786	
There was raised by special collections	74	
Total amount distributed		£3,520

Distributed to organised workmen . .	£2,409
" " unorganised " . .	904
" in wages to clerks employed at "control stations" . .	207

Of the £3,313 distributed to the organised and unorganised workmen—

£2,760 was paid to married workmen and widowers with children, an average of 2*s.* 10½*d.* per person per week.

£553 to single workmen and widowers without children, an average of 1*s.* 10*d.* per person per week.

Among other German towns in which special assistance was given in the winter of 1908—9 were—

Mayence.—£171 was distributed; the rate was 3*s.* a week to single persons, 4*s.* to married persons without, and 5*s.* to married persons with, children. 337 persons received assistance, of whom 197 were organised workmen; the latter were controlled through their trade unions, as at Munich. This was also done at—

Wernigerode, where £217 was distributed, £131 of which went to organised workmen.

Rixdorf and Flensburg.—At the former £380 was distributed to 799 unemployed, and at the latter £42 to 63 unemployed. The money was granted on loan to be repaid in the summer. Not much, however, seems to have been repaid.

In all these cases the assistance given did not count as poor law relief. In other towns, also, money was specially distributed to the unemployed, whilst in some towns assistance in kind was given.

Two recent laws passed in Germany mark new departures in the assisting of the unemployed. In the one, passed in 1909, £200,000 was set aside to pay compensation to certain classes of tobacco workers who lost their employment or suffered injury in other ways in consequence of the operation of the increased tax on tobacco. The compensation was not to be less than three-fourths of the reduction in the wage formerly received, and might be given for a period not exceeding two years. By the end of 1909 nearly 54,000 persons had claimed compensation; roughly, 46,000 of these claims were admitted and £80,750 had been paid out. The carrying out of the scheme of compensation was beset with many difficulties.

In the second law, passed in 1910, which regulates the sale of salts of potash in an exceptional manner, it is stipulated that in certain circumstances compensation shall be paid by employers to workers who lose their employment through the operations of the law, unless the workers find other suitable employment. The compensation may equal the wages of the worker for twenty-six weeks.

In both these laws the state provides for the payment of compensation to the worker injured by state acts. They are interesting developments of modern ideas.

CHAPTER XVIII.

Switzerland—St. Gall and Geneva.

St. Gall.

The law under which the compulsory scheme of insurance was established at St. Gall also authorised the commune to subsidise insurance against unemployment provided through voluntary associations, and since 1905 a small amount has been distributed in subsidy under this authority. In 1909 £57 was paid in all to seven unemployment funds, being 30 per cent. of the benefit paid out by these funds; for 1910 £80 was set aside for the purpose.

More important at St. Gall are the measures which have been taken in the lace and embroidery industry. This industry suffered a period of severe depression in the years 1903 and 1904, and it was felt that something should be done to provide against the unemployment which came in years of bad trade. Largely through the efforts of M. Otto Alder, a public-spirited employer, an association of employers was formed which undertook to render financial aid to provision made against unemployment occurring during years of industrial depression if the provision was effected through special associations ("crisis funds") formed for the purpose, and these associations complied with the conditions of the employers' association: the conditions were not onerous. The resources of the employers' association were to be derived from voluntary contributions and gifts. The assistance was not to exceed 50 per cent. of the total benefit paid to an unemployed member, or to be more than 9½*d.* a day, or given for more than 50 days in any one year, to the same person. Accounts were to be submitted monthly, and the rate of assistance was to be determined each month according to the prevailing conditions.

The scheme was warmly taken up by the three trade unions in the industry, and by December, 1908, fifty special "crisis funds" had been formed, with a membership of 2,000, for the provision of benefit in respect of unemployment during periods of industrial depression. Each fund appears to be separately managed under the regulations and oversight of the particular trade union with which it is connected. One trade union pays to "crisis funds" a contribution from its own resources in respect of members of the union who have become members of a fund: it is not always required that a workman shall be a member of a trade union before he can join a "crisis fund." The usual rates of contribution for members of the "crisis funds" appears to be $4\frac{3}{4}d.$ a month for men and $3d.$ for women; and of benefit, 1s. $7\frac{1}{4}d.$ a day for men and $11\frac{1}{2}d.$ a day for women. Benefit is paid from the second day of unemployment for not more than 50 days in the year to the same person; it is paid only after a membership of six months. The years 1905 to 1907 were years of good trade, and it was not necessary to pay benefit, and the employers' association accumulated a fund of over £3,000. Trade was not so good in 1908, and £165 was paid to unemployed members of the funds, half of this amount being granted by the employers' association.

One incidental result of the scheme is interesting. It has been found in some cases that home-workers, relying on what they can get from their "crisis funds," have refused prices which would give them a net return of less than 1s. $7\frac{1}{4}d.$ a day for their work, and have been able to obtain higher prices from the middlemen.

I have received a communication from M. Otto Alder, the president of the employers' association, in which he states that two alterations have now been made in the scheme.

(*a*) The employers' association has undertaken in future to repay 60 per cent., instead of 50 per cent., of the benefit provided.

(*b*) Subsidy will be paid by the employers' association up to a maximum of 1·50 francs (1s. $2\frac{1}{2}d.$) per person per day, instead of 1 franc ($9\frac{1}{2}d.$) as hitherto; that is, the association will repay 60 per cent. up to a maximum total benefit of 2·50 francs, instead of 50 per cent. up to a maximum benefit of 2 francs.

These concessions have given a new impetus to the extension of the scheme.

A recent development, owing to certain changes in trade union organisation, is the formation by a number of workmen of a society specially for establishing and maintaining "crisis funds." Efforts are also being made to obtain subsidy from the canton.

It was not found necessary to pay benefit in 1909. The "crisis funds" have accumulated a reserve of £1,600, while the employers' association had a fund of £4,600 on January 1, 1910.

The success of this scheme is in striking contrast to the failure of an attempt made early in the last decade of the nineteenth century to establish a special insurance fund for the embroidery industry in Switzerland. Although grants were promised to the fund from the workmen's union, from merchants, and from the canton, the necessary minimum number of members could not be obtained to start the fund.

Geneva.

The failure of the scheme founded at Geneva on the Berne model has already been described (p. 68). In 1909 the canton decided to assist insurance against unemployment effected through the workmen's own organisations, after the example of Strassburg. The assistance was guaranteed for ten years. It is paid in respect of any member of an association providing insurance against unemployment who has for at least one year resided in Geneva or been a member of a Swiss association providing unemployment insurance. The subsidy is to be at the rate of 60 per cent. of the benefit provided by the association itself, and is not to be paid for more than 60 days in any one year in respect of the same person. Associations which have other objects besides that of providing insurance against unemployment have to keep separate accounts of the transactions relating to insurance. It was expected that some 2,000 workers would immediately come within the operation of the scheme, and it was hoped that the giving of assistance would stimulate others to make provision against unemployment.[1]

The small Swiss canton of Appenzell-a-Rhine also pays a subsidy at the rate of 50 per cent. of unemployment benefit to "crisis funds" in the embroidery industry.

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[1] It is interesting to note that at Geneva, while the expenses of the labour exchange are borne by the municipality, the institution is under the control of the workmen on the Conseil de Prud'hommes, who choose a committee for the management of the exchange.

Brief references may be made here to what has been done in two countries, Spain and Finland, in addition to those mentioned.

Spain.—Very little has hitherto been accomplished by the workers in this Latin country in the direction of insurance against unemployment. The government, however, has directed the National Institute for Social Thrift (L'Institut national de Prévoyance social) to sketch out a plan for the formation, among other things, of mutual societies for insurance against unemployment, these societies to be assisted by state subsidies.

Finland.—The town of Tammerfors has decided to assist associations of workmen which make provision against unemployment, but apparently without result up to the present, as no workmen's associations have been formed which comply with the conditions laid down by the municipality. The question is also under consideration by the town of Helsingfors. Further, the state government has appointed a committee to report on the subject, and this committee has decided to recommend that subsidy should be paid to associations of workmen which make provision against unemployment, the subsidy to be in proportion to the amounts paid by the associations in benefit, and that part of the amount granted in subsidy should be repaid to the state by the local authorities.

CHAPTER XIX.

United Kingdom.

The detailed examination of continental schemes is now ended, and it remains to draw the conclusions which may be elicited from the facts which have been stated. But before doing so, it will be well to mention some opinions which have been expressed on the subject in the United Kingdom. Reference has already been made to the scheme of compulsory insurance which the liberal government contemplates introducing, and also to some opinions expressed with regard to that scheme, so far as it has been divulged.

In considering proposals with regard to the United Kingdom it is necessary to bear well in mind the magnificent achievements of the trade unions in the way of insurance against unemployment, to which attention has already been directed in the first chapter. In no country have they a prouder record.

The knowledge of people in this country with regard to the continental schemes of assisted insurance against unemployment has hitherto been derived mainly from the report of Mr. D. F. Schloss, published by the Board of Trade in 1904,[1] and from his book entitled "Insurance against Unemployment," published in 1909. In the latter work, Mr. Schloss comes to the conclusion that "the system [of assistance] to be adopted should follow fairly closely the

[1] Report on Agencies and Methods for dealing with the Unemployed in certain Foreign Countries, by D. F. Schloss, 1904. Some further information on continental schemes of unemployment insurance is also contained in the Fourth Abstract of Foreign Labour Statistics, published by the Board of Trade since the above was in print.

legislation enacted in Norway and Denmark, that is to say:—

"(1) that the resources at the disposal of Funds maintained by the contributions of workpeople associated together for the purpose of enabling their members, if they become unemployed, to draw benefits on an agreed scale should be supplemented out of public moneys, the Funds to be thus subsidised being so far as possible, organised separately for separate trades or groups of allied trades, and (2) that these arrangements should possess a national (inter-local) character.

"It also appears desirable, (3) that any scheme of publicly-assisted unemployment insurance should be operated in close connection with an efficiently organised system of Labour Registries." [1]

The question of insurance against unemployment was one of the matters considered by the Royal Commission on the Poor Laws and the Relief of Distress. It is very significant that, despite their many and fundamental differences on other matters, the majority and minority reports are in substantial agreement in recommending that insurance should be assisted on the Ghent lines.

While the majority commissioners are not prepared to recommend any definite scheme, they consider that assistance should be given, and that it should be given to insurance effected through voluntary associations. "If, then, the leading idea be the encouragement of voluntary organisations, it would follow that insurance against unemployment should be developed and encouraged by assisting existing organisations in much the same way as one might develop a system of invalidity pensions through friendly and other kindred societies. This view is supported by Trade Unionists, by economists, representatives of Friendly Societies, and other eminent witnesses. The Trade Unionists consider that . . . they should be the recognised agency to deal with that class of workers described by Mr. Long as respectable men temporarily

[1] Pp. 72—3.

in distress owing to their inability to obtain employment."[1] The commissioners believe that it should be possible for a large number of workmen who do not now insure themselves against unemployment to do so, including a large number of unskilled workmen, and they think it possible that a new type of friendly society might grow up with the encouragement received from a state subsidy, a type of trade friendly society for insurance against unemployment confined to persons belonging to the same or to kindred trades. "If, however, the subsidy were to be offered to any provident organisation which would make unemployment insurance a leading feature of its business, we should look for the advent of a new type of Friendly Society, composed of men of similar or allied trades, who would have the necessary trade solidarity and knowledge of each others' circumstances, and whose interests would be sufficiently similar to prevent the 'bad risks' crowding out the good. It would, in fact, be a Trade Union organised for provident benefits alone. If such societies came into existence under the encouragement of a subsidy we might hope for insurance against unemployment becoming general over the field of labour. Such a result, we would venture to say, would far more than counterbalance the expense of the subsidy."[2]

The minority commissioners reject compulsory insurance in favour of assistance to unemployment insurance provided through trade unions. They "cannot see that the universal and compulsory union of all the employers and all the workmen in an insurance fund is, even with Government aid, either practicable or desirable."[3] They think that compulsory insurance "applied only to particular sections of workers or to certain specified industries, under carefully considered conditions" may be worth considering, but that it could not be worked without (1) "a national organisation in the nature of a Labour Exchange *to which all available*

[1] Report Part VI., Chapter 4, para. 582.
[2] Part VI., Chapter 4, para. 596.
[3] Part II., Chapter V., D. (i.), p. 1,200. [The references are to the first edition of the reports.]

vacancies were reported; and to which all insured workmen out of Employment were required to apply for situations"; (2) "some definition of the terms upon which a workman could be required to accept a situation offered to him, under a penalty of being refused the Unemployed Benefit towards which he had contributed"—which would practically mean, they say, that the trade union conditions of pay, hours, etc., would have to be recognised.[1] After reference to the difficulties involved, they pronounce in favour of a subvention to trade unions providing unemployment benefit.

With regard to labour exchanges, it is suggested in the majority report, that, if necessary, "preferential treatment at the national labour exchanges" might be given to those persons who had insured themselves against unemployment,[2] while in the minority report it is suggested that, "it might be well to provide that where a Trade Union, giving out-of-work benefit, desired (perhaps in conjunction with an organisation of employers) to manage its own register of men unemployed and situations vacant, it would be permitted to do so in close connection with the National Labour Exchange, which would transfer to it at once any application notified by its members, or by the employers in that trade who were in the habit of dealing with the Trade Union, and not fill any such situations unless and until the special office for the trade failed to do so. In this way there would be secured to those workers in any trade who had been provident enough to insure themselves against Unemployment, a practical preference for the employment thus offered in that trade." [3]

[1] *Ibid.*, pp. 1,200, 1,201.
[2] Part VI., Chapter 4, para. 594.
[3] Part II., Chapter V., D. (i.), p. 1,199.

CHAPTER XX.

CONCLUSIONS.

(1) *It is necessary that provision should be made against unemployment.*[1]

It would be well if work could be provided for everyone at all times. Something can be done towards this by the systematic adoption by local and central authorities of a far-sighted distribution of work, and, doubtless, more will be done in the future in this direction than has been done in the past, though, as has been shown, such a practice is not free from danger and may not be so effective as is often supposed.

To provide work for all in this way is an impossible ideal. The fat industrial harvests cannot altogether be averaged with the lean, even if we set aside the serious social questions of a general character which arise from the adoption of measures which tend to encourage workmen to look to the state for making good the deficiencies of existing industrial conditions.

The provision of relief work in ordinary circumstances is condemned by competent investigators. It aggravates the ills which it is supposed to relieve. The evils of dependence are manifest, and it will clearly pay the community that every effort should be made to foster independent provision. And if the making of reasonable provision against unemployment became a fixed habit among workmen in a trade, it seems probable that, just as a river wears a bed, so allowance for such provision would ultimately be made in the usual wages.

An alternative to provision against unemployment is the

[1] In stating the reasons which appear to justify the several conclusions set out in the chapter, I have thought it advisable, in order to make the argument more complete, to repeat some considerations which have been advanced in previous chapters.

system of working short time. In some trades, this practice already prevails to a large extent—in the mining trade, for instance—and no doubt it could be extended without ill results. But in some instances the working of short time would probably be difficult. And, in any case, it is not a matter in which legal compulsion is expedient, and it is doubtful if the practice will be voluntarily extended very much beyond its present limits. Moreover, even in trades in which short time is worked, large numbers of men are at times thrown wholly out of employment, and for them, and for the others who are subject to this risk, provision against unemployment is necessary.

(2) *It is preferable that the provision against unemployment should be made through insurance.*

The advantages of insurance over individual savings have already been considered at length, and it will be necessary here only briefly to refer to them. In the first place, ampler provision can be made through insurance. In the one case the provision is limited to the savings of the man himself. In the other, the man contributes to a common fund and draws from it in case of, and according to, his need. In the first instance, he is limited to his own strength; in the second he draws also on the strength of others.

Provision through insurance is also easier and more economical. By extending the risk over a sufficiently large number of cases the liability can be foreseen with a fair amount of exactness, and, in this way, by pooling the risks, it is possible to make just what provision is necessary. The risk in the case of any particular individual may fall much below or rise much above the average, but if he is to be secure he must provide for the highest risk. Thus, in the case of provision against death, the probability is, let us say, that particular person will not die for thirty years. But he may die to-morrow, and if he is to be adequately secured, he must make provision against that risk of dying to-morrow—a provision which is impossible by individual means in all but a very few cases, and uneconomical where it is possible.

Again, in an organisation in which all pay to a common fund and draw from it in case of need, there is strong mutual interest to secure proper management—and not only to secure proper management, but also co-operatively to reduce the evil which creates the need. In the case of provision against unemployment this strong mutual interest is of paramount importance. Of the highest importance, also, is the general social advantage of encouraging workmen to provide against the risks to which they are liable through institutions established and managed by themselves.

Against insurance it may be urged that individual alertness and ability are encouraged when each person has to stand or fall according to his own individual effort. But this objection is of more validity to a placid armchair philosophy than to the actual stress of practical life. The tree which has to stand the buffets of wind and rain without prop or stay may become more firmly rooted, and the need for social well-being of individual strength of mind no less than of body cannot be overlooked. But it is equally true that the problems which principally concern the workman at the present time are to be solved not in isolation, but only in co-operation with his fellows. Man has survived the ages not only by the instinct of self-preservation and the development of individuality, but also through the instinct of social solidarity. Progress has been made and progress will be made only in proportion as these two instincts are properly balanced and co-ordinated.

In some measure workmen have always made provision against unemployment by individual savings, from the man who has his savings bank account and draws from it in the case of need, to him who invests in furniture and clothes, and finds the pawnshop or second-hand dealer an ever-present help in the time of trouble. But provision made expressly against unemployment has been almost entirely through insurance.

In Ghent, as we have seen, an earnest attempt has been made to foster provision against unemployment by individual

savings, but very little has been accomplished, whereas it has been found possible to do much in fostering provision through insurance.

(3) *It is advisable that the community should financially assist the making of provision against unemployment.*

Recapitulating the reasons advanced in the first chapter:—

(*a*) It is expedient that the community should foster provision against unemployment as a measure of self-protection, for otherwise persons may become dependent upon the community, and dependent at a very much larger cost than is likely to be incurred by discreet financial encouragement of self-help.

(*b*) It is legitimate for the community to encourage the development of habits essential to new social conditions—habits, for instance, of providence and co-operation. New occasions teach new duties. The mass of men are slow to respond to the new occasions, and the slowness of their response is the measure of their misery. In giving discreet encouragement, the community will not be weakening individual responsibility, but will encourage keen and vigorous life, will stimulate faculties which might otherwise be dulled and deadened under the stress of adverse circumstances. By giving discreet encouragement, social progress will be quickened, and that misery reduced which, to some extent, is the inevitable accompaniment of all social change.

(*c*) In large measure unemployment is a condition resulting from general social organisation, a condition for which, in part, the community as a whole is responsible. In addition to the general responsibility of the community, in some cases there may be a special claim. Thus, suppose in some industry a change is taking place which has rendered employment in that particular industry less regular. It may be hoped that ultimately the greater irregularity of work will be compensated by a higher wage. But, even if this be so—and it does not

by any means necessarily follow—this higher wage will not be immediately obtained. It will take some time before a new adjustment will be brought about. In the meantime those engaged in the industry will suffer to an exceptional degree, and it may be reasonable that the community should assist them so that they may tide over the period of distress without undue injury to themselves or to the community. And the best way in which the community can give this assistance is by encouraging the workmen to provide ahead for contingencies of this kind.

(*d*) The community may do much towards mitigating unemployment by wiser and more thoughtful spending, not only in wiser distribution of public work, but also in more thoughtful expenditure by private persons. The best way to make the community realise its responsibility is by putting some burden on its shoulders.

Some may consider that if assistance is given to provision made against unemployment, there will arise a tendency to shift the responsibility of making provision more and more from the individual to the community—that the small trickle of assistance may rise to a flood. Experience shows that in provided schemes this is a real danger, but in autonomous schemes there has not been shown any tendency in this direction. On the other hand, the absence of provision against unemployment among so many classes of workmen at the present time, and its resultant cry for relief work during times of industrial depression, present a much more serious risk that the need of providing against unemployment will be wholly cast on the central and local authorities than does any proposal to assist provision made by the workpeople themselves. And, as already stated, if the duty of providing against unemployment is to be thrown upon the community, this will be brought about, not by discreetly encouraging self-help, but by the operation of much larger and more potent forces inherent in existing social conditions.

On the continent much has already been done to assist insurance against unemployment, as the following list will briefly indicate:—

Belgium.—Assistance is given by all towns of more than 35,000 inhabitants and by several smaller communes, Provinces and state also assist, although at present not to a large extent.

In the neighbouring Duchy of Luxembourg, the state, the town of the same name, and some neighbouring communes grant assistance.

France.—The state, some departments, and a large number of municipalities give assistance.

Holland.—Twenty-five towns grant, or are contemplating the grant of, assistance.

Germany.—Several towns grant assistance. A number of other towns, and also some states, are actively considering the question.

Denmark.—The state and local authorities pay subsidy on provision made against unemployment.

Norway.—The state provides assistance, part of which is recovered from the local authorities.

Switzerland.—Some towns and cantons have public schemes of assistance. In one canton assistance is granted by an association of employers.

Italy.—Three towns have schemes; in one, the assistance is given by a private philanthropic society, and in the other two, by the municipality. A bill providing for the grant of national assistance has also been prepared and has passed through the lower chamber.[1]

The plea, therefore, for the assisting of insurance against unemployment by the community is supported by numerous continental instances. In some places the schemes are on a small scale, but in many they are important. The results are full of encouragement, especially the results at the two places where the work has been most fully developed—Ghent and Denmark.

The part which municipalities have played in this form of social effort is striking. On the continent they have much

[1] And now the Senate also.

wider powers than municipalities in this country, and are free to make experiments which are barred to English towns.

(4) *The assistance to be granted to insurance against unemployment should be so given as genuinely to encourage self-help. The amount provided as assistance should not be more than the provision made by the workpeople themselves.*

The aim should be to stimulate workmen to look after themselves, to teach them to keep themselves afloat and not to depend on makeshifts provided by state or neighbours. If this fundamental condition is kept well in mind, the exact amount of assistance to be given is not of importance. But lest there be a weakening of self-dependence, it seems desirable that the total amount of assistance given, whether it come from the community or the employer or from private societies or persons, should not exceed the provision which is made by the workmen through their own efforts.

It must be borne in mind, moreover, that in proportion as the amount of assistance is large, not only may the stimulus to self-help be weakened, but also the mutual control of the workmen, when organised in associations of common liability, may be seriously reduced, whereas it is most important that this control should be maintained in full vigour.

The amount of assistance given in the various schemes in force on the continent differs considerably. At Ghent, the assistance is limited to 100 per cent. of the benefit provided out of the workers' own resources: in practice, it averages about one-half of this amount. The proportion is approximately the same in the Belgian schemes as a whole. In Denmark, as a rule the public authorities will apparently contribute in all the same amount as the insured person himself, two-thirds of the public subsidy coming from the state, and the other third from the commune. In Norway, the proportion paid by the community is now one-third of the benefit; it was formerly a fourth. In Strassburg, the municipality undertakes to pay one-half of the benefit provided by the insured themselves: in practice, however, owing to restrictions, the proportion paid is much less. At Basle, subsidy is paid

partly on contributions and partly on benefit, the maximum being 40 per cent. on the former and 60 per cent. on the latter.

(5) *It seems desirable that part of the assistance given by the community should be paid by the central authority and part by the local authorities, the larger proportion being paid by the former.*

Experience goes to show that the central and the local authorities should contribute. At Ghent, and in Belgium generally, a small subsidy is paid by the state and the province, but much the largest proportion of the assistance is paid by the municipality or commune. The amounts paid by the state and the provinces will probably be much larger in the near future, but it does not seem likely that they will reach the amounts paid by the local authorities.

In Denmark, the state pays a fixed proportion of the contributions of insured persons. Local authorities may also contribute at their option, within certain limits.

In Norway, of the total assistance given by the state, two-thirds is to be repaid by the local authorities, except in certain cases.

In France the state pays subsidy at fixed percentages. It is left to the option of the local authorities what amount, if any, they will grant. A large number of local authorities grant assistance.

In Germany, it seems that one of the reasons why more municipalities do not give assistance to insurance against unemployment is because of the general feeling that the states and the imperial government should participate.

It seems clear that the central authority should contribute:—

(*a*) The problem of unemployment is, to a very large extent, a national problem. It is even more than national: it is international. But there is no possibility at present of international assistance.

(*b*) The central government can take measures to reduce unemployment. It is more likely to do so if it has to

pay towards mitigating the consequences of unemployment.

(*c*) If the assisting of insurance against unemployment is left to local authorities, the free migration of labour may be hindered.

It seems also that local authorities should pay :—

(*a*) Though unemployment may primarily be a national or even a wider problem, it may be conditioned largely by local circumstances; and it may be possible to remove, or at least to modify, some of these circumstances by local efforts. There may be conditions, for instance, which tend to attract or to make "undesirables," not only undesirable types of workmen, but also undesirable types of employment and of employers; or the sanitary standard of the community may be so low as seriously to reduce general vitality; or again education may be so defective that large numbers of the people are below the average in intelligence. Any of these factors would add to unemployment, and all could be successfully attacked in some measure by an awakened public opinion in the locality, resulting in action not only by the local authority, but also by employers and by the people in general. In such circumstances, it is well that the local people should themselves bear part of the cost of remedying or palliating the consequences of the evil. Fertile action is more likely to result when pressure is felt through the local rates than when the cost is lost in the sea of central expenditure. To spread penance over too many heads does not make for reform.

(*b*) Local authorities, as well as the central authority, can do something towards moderating unemployment by a far-sighted distribution of public work. They are more likely to exercise this discretion if they are penalised when it is not used.

(*c*) It has also to be remembered that in some districts the prevailing trades may be such as are subject to high crests of prosperity and deep troughs of depression.

The districts gain exceptionally from the prosperity, and it is but fair that they should bear an exceptional burden when the corresponding depression comes.

(*d*) There is another, perhaps somewhat recondite, but nevertheless not unimportant, reason. Some districts may be exceptionally prone to unemployment because the industries which exist there are only profitable to any considerable degree in times of prosperity—there are districts, for instance, in which there are coal mines which are only worked to any large extent when prices rule high, and similarly there are districts in which there are manufactories which are only busy when prosperity reigns, industrial charges having perhaps rendered them scarcely profitable to work under other conditions. Is it desirable that the state should relieve such a district to a very large extent of the burden of looking after the unemployed? If it does, it will to that extent subsidise these undesirable circumstances, it will encourage a parasitic condition, will encourage workmen and others to continue in a district which does not offer the means of livelihood up to a normal standard. Clearly this is not desirable.

Under the conditions of central and local finance existing, for instance, in this country, there might be special difficulties in the way of requiring local contributions towards assisting insurance against unemployment. But the advantage of securing local interest in measures of social amelioration by requiring contributions from the local authorities should not be overlooked. In many places on the continent the local life is much stronger than in this country. The communities still bear within them the soul of local independence and pride and sturdiness which is the heritage of a past when they were states as well as local authorities. The vestiges of their past powers still remain, and whereas the Englishman thinks primarily of the state and only secondly of his town, the man of Ghent, for instance, thinks firstly of his town and only secondly of the state. We in this country, while retaining our sense of state solidarity, stand in urgent need of

deepening the sense of local bonds; and if we lightly cast duties on the state to the neglect of town and district, we may be piling up problems which future generations will have to unravel with much travail.[1]

In most cases on the continent it is left to the discretion of the local authority to decide to what extent it will give assistance: under the Danish law, however, the assistance is subject to certain limits. In Norway, on the contrary, the local authority has to repay to the state a fixed proportion, two-thirds, of the assistance given.

When the matter is left to the discretion of the local authority, uniformity is generally lost; and though uniformity in social measures is probably of less importance than the reformer of the present day is apt to believe, yet, in this particular measure the consideration is of weight. Some local authorities would probably not make any contribution at all if the matter were left to their discretion, and there would thus be lost, in their cases, the incentive to preventive measures.

On the whole, it seems well that it should be made compulsory on local authorities to contribute up to a certain percentage. There appears to be no objection, indeed there would be advantage, in allowing local authorities, if they chose, to grant further assistance up to a fixed limit—say up to one-sixth of the benefit contributed from the resources of the insured themselves—additional to that of the compulsory levy. Some scope would thus be left for local initiative, and it is highly desirable that local initiative should be encouraged. It has been suggested that it would be reasonable for the large municipalities to grant a subsidy supplementary to that ordinarily provided because of the higher cost of living in large towns. This contention is of doubtful weight for the higher cost of living would tend to produce higher wages and higher rates of benefit, with consequently larger subsidies.

The experience on the continent does not give much

[1] It has to be remembered also that discreet assistance of insurance might reduce poor law charges, and thereby benefit local rates.

assistance in determining what proportions should be contributed by the local and central authorities respectively. But in a country where the industrial and social conditions are closely knit, it would doubtless be found expedient that the central authority should contribute the larger share of the assistance, say, not less than two-thirds.

(6) *The scheme of assistance should be under the supervision of a committee which should contain representatives of the governmental authorities, of any other class, employers for instance, granting assistance, and also of the persons assisted.*

If the local authorities contribute, they should have some representation on the committee of management. But should the insured members be represented? This seems desirable. Any tendency towards a too bureaucratic spirit in the management of the scheme would thus be checked. The points of view and interests of the insured should be adequately represented. Moreover, the powers of self-management of the insured would be developed in this way; indeed, not to give representation to the insured would be partly to neglect the main object of the whole scheme, that of educating the workers in self-help.

It would probably be advisable also to have local committees containing representatives of the several interests for supervising and pushing the local work.

At most places the insured have a liberal voice in the management of the scheme of assistance. This is so at Ghent, Denmark, and Basle. At Ghent, the representatives of the insured are chosen by the communal council. In Denmark and at Basle, the representatives are chosen directly or indirectly by the insured themselves. This seems the preferable method.

In the system advocated by the association which has done much in promoting insurance against unemployment in the north of France, it is provided that the majority of the members of the committee of management shall be representatives of the insured. Generally, the representatives of the insured are in the minority, and this seems reasonable.

For the authorities have to pay the piper, so far as the payment of subsidy is concerned, and it seems but right that they should retain the possibility of calling the tune. Further, the representatives of the insured stand for sectional interests, whereas the governmental representatives, especially those of the central authority, stand for the interests of the community, and the latter should predominate.

(7) *On the whole, it does not seem expedient that insurance against unemployment should be made compulsory.*

Some of the reasons which cast doubt on the expediency of making the insurance compulsory have been mentioned in previous chapters, but it will be convenient to recapitulate and to deal with them more fully here.

(*a*) Direct experience, so far as it goes, is against compulsion. Only one such scheme has ever been tried—at St. Gall in 1894—5—and that signally failed. Proposals to establish compulsory schemes have been considered at several other places, but have not been adopted; the scheme suggested for the United Kingdom has not yet been placed before Parliament. At Basle, the electors in 1899 rejected a compulsory scheme by referendum after it had been passed by the legislative body.

It may be contended that the scheme at St. Gall was doomed to failure by its inherent defects, quite apart from any question connected with its compulsory character, and that most of the other proposals for compulsory insurance which have been rejected were made in the 'nineties, and that the subject must be reconsidered in the light of more recent conditions and experience. There appears, however, to be nothing in these conditions and experience which calls for a reversal of the judgment of the 'nineties. Even in Germany, the classic land of compulsion in social insurance, it seems generally felt that the time is not yet ripe for compulsory insurance against unemployment. Recently in Denmark and Norway schemes for assisting insurance against unemployment were

established after inquiry by commissions, and in neither case was compulsory insurance recommended. The better classes of workmen appear for the most part to have been opposed to compulsory insurance where it has been suggested on the continent.

It may be urged that what has taken place with regard to other forms of insurance, more especially insurance against sickness and invalidity, must be taken into account, and that the tendency in these kinds of insurance is decidedly in the direction of compulsion; that the intervention of the state is more developed in the matter of sickness and invalidity insurance than in unemployment insurance, and that what has occurred with regard to the former will probably occur also with regard to the latter. But, while this line of reasoning is not without force, it has to be recognised that there are many and essential differences between insurance against unemployment and the other forms of insurance, and that what applies to one does not necessarily apply to the other. Nor, supposing that unemployment insurance will ultimately be made compulsory, does it follow that the time is now ripe.

(*b*) A scheme of compulsory insurance would probably not be so comprehensive as at first might appear. The insurance, or quasi-insurance, however liberal the assistance, would demand some minimum of self-help from its members; they would have to pay some amount of contribution before being entitled to benefit. But persons very much subject to unemployment would not be able to keep up the payment of their contributions, and they would be brought into the scheme simply to be thrown out again, like fish not worth the catching. It is significant that casual workmen are not brought within the German system of compulsory insurance against sickness.

It is difficult to estimate how many workmen would fall out of a compulsory scheme for the reason stated,

but the number would probably be considerable. The persons who would be kept within the scheme would be principally those whom it should not be very difficult to attract to voluntary insurance if financially assisted, though no doubt compulsion would be salutary discipline for a fringe of workmen too lacking in social instincts to be drawn into any voluntary scheme. Whether compulsory insurance will be advocated will depend largely on the emphasis laid on the importance of catching workers in this fringe. While fully recognising that the fringe might be large and that the gain, in some respects, of securing provision by workers within it would be great, it nevertheless seems doubtful whether it is advisable to set up all the complicated and costly machinery of a compulsory scheme of insurance to catch them.

(*c*) There would be danger that the scheme of insurance would be overweighted by the cases of persons not able to keep regularly within it. The circumstances of these persons would command attention if they had to pay contributions whilst employed, yet were often not able to pay sufficient to entitle them to benefit when unemployed. There would be an outcry that the needy were being penalised, and concessions might be forced which in the end would not improbably be of little permanent value even to those for whom they were primarily made, while they would be corrupting to those who were not in need of them—and also probably to those who were.

Moreover, if it were found that the charge on the insurance fund became very high in respect of the lower grades of workmen, and also that a large number of such workmen, though unemployed, were not receiving benefit—because they had not paid contributions for a sufficient length of time or had exhausted their limit of benefit—there would be grave danger of a loud and persistent, and ultimately successful, demand for relief work, and once relief work became associated

with the scheme its strength and value would be endangered. It is disastrous to determine policy by the needs of the less worthy, to fix the rate of speed by the ability of the lame. On the other hand, to relieve the less able and fortunate from contributing would be to invade the compulsory character of the scheme, and it would be difficult to draw a definite line of division.

(*d*) It is doubtful whether there exists in any country at the present time adequate means for carrying out a compulsory scheme of insurance against unemployment. In such a scheme there should be an effective check on unemployment. Grave abuses arise where this check is wanting. In Germany it is generally recognised that, before a compulsory scheme of insurance is practicable, there must be further development of labour exchanges. And this is not without reason, for, in a state-administered scheme, the exercise of comprehensive and effective control would seem to demand a high development of a well-organised and far-reaching system of exchanges. It would be desirable that the exchanges should be acquainted with all, or approximately all, the vacancies which existed in each occupation to which compulsion extended. Even this would not be enough. For it is necessary to make sure, not only that the person who claims benefit is unemployed genuinely from want of work, but also that he is not engaged in any other employment. The exchanges would not be in a position to exercise this stringent supervision without a large staff or exceptionally cordial public support.

The experience of Strassburg in this matter is very instructive. There exists in that town a highly developed labour exchange. The scheme of assisting insurance which prevails there applies only to members of trade unions, and therefore to persons who in a measure are selected men and subject to the control of their trade unions as well as to that of the

labour exchange. It is significant that in the last report emphasis is laid on the need of officials to check the unemployment in respect of which assistance is claimed who are well acquainted personally with members of the classes of workmen who come within the scheme, so that they shall be able, through information gained from such persons, to exercise more effective check. But clearly this kind of control is one which under proper organisation would be more easily and effectively exercised by trade unions themselves, the members of which have mutual knowledge of each other and a common interest in protecting the funds of the union from fraud, and it would seem well that endeavour should be directed as much to strengthening the control of the trade unions as to introducing a new form of control through the labour exchanges: there is much to be said for the view that the latter control should be exercised so far as possible through the trade unions rather than independently. There are not at present many exchanges which could exercise such effective control as that at Strassburg, and it must be remembered that Strassburg is a town with less than 180,000 inhabitants, and that the number of persons participating in the scheme of assisted insurance is only about 5,000. In the exhaustive report issued by the German Imperial Statistical Office, it is stated as one of the conclusions that it is doubtful whether in a large town it would generally be possible for the labour exchange to exercise effective control over unemployment, under a compulsory scheme of insurance which was of general application.[1]

The difficulties of control would be reduced by making use of the trade unions, but even then the difficulties might easily be too great for effectively checking unemployment in a compulsory scheme of wide extent. Large numbers of insured persons would be outside the trade unions and those outside the trade unions would

[1] See pp. 290, 291.

in many cases be precisely the persons most subject to unemployment and in whose case control of unemployment would be most difficult. For a large proportion of these persons would probably be following less definite employment than the generality of trade unionists in the same occupation, large numbers being unskilled or only partly-skilled workmen, and these would be just the persons most likely to be engaged to some extent in other employment when they could not find work at their ordinary occupations.

(*e*) As is stated in the minority report of the Poor Law Commission, a compulsory scheme of insurance against unemployment could not well be worked without official recognition of trade union conditions. A public authority would find it difficult to compel workmen to accept work below these conditions. Recognition of trade union conditions may be desirable or not in itself, but if a scheme involved this recognition it would be sure to meet with considerable opposition from certain quarters. The circumstance might also tell disastrously on the scheme itself. For a number of workmen would be brought within a compulsory scheme who, for some reason or other, are less competent than the generality of workers in their trade, and who might have been accustomed to working below trade union conditions. What would be done with them? If they were to be paid benefit until work was found for them on trade union conditions they would be a heavy charge on the fund, while if they were compelled to accept work on terms below trade union conditions the trade unions might strongly object.

The same difficulty arises to some extent when trade union benefit is subsidised, but it does not arise to the same degree, for the members of a trade union have been accustomed not to accept work on conditions below those recognised by their organisations, and therefore there is the less objection to making these the standard

when determining what work they must accept on penalty of forfeiting their claim to benefit.

Another difficulty is suggested by the experience of the Strassburg scheme. One of the problems which it has been necessary to consider there has been the question of the conditions on which work must be accepted by unemployed workmen—on penalty of forfeiting their claim to subsidy if they refuse—in occupations other than those which they have hitherto followed, especially in the case of workmen (and women) whose occupation is not of a very specialised character and has not necessitated a long course of training, and in the case of workmen who belong to specialised trades, but who, from physical infirmity or some other cause, can no longer hope to obtain regular work at their trades. If this difficulty arises in the case of trade unionists, much more acutely would it arise in a compulsory scheme, for whereas in the case of trade unionists the question would generally arise with regard to but a small number of persons, in a compulsory scheme it would probably arise in a not inconsiderable proportion of the persons insured—especially among the less competent and among workmen in the lower grades of labour, for instance, workmen who are generally not members of trade unions.

(*f*) The cost of a compulsory scheme of insurance would almost surely be high. Endeavour would have to be made to bring all classes of workers in a trade within the scheme. It might not be possible to bring in some classes without a very large measure of assistance, a measure of assistance which might come perilously near relief, with its manifold dangers and its subtle corrosion of independence.

The difficulties of control are much increased when the assistance is large. Workmen have less incentive to check fraud. If the contributions are small and are merged in the vastness of a state scheme, workmen will lose the sense of common interest, they will not

realise that a man who deceives in order to secure benefit thereby penalises them; on the contrary they will be readily inclined to admire the sharpness of wit which enables him to deceive the far-reaching power of the state.

The administration of a state compulsory scheme could not but be costly. Efficient control could scarcely be exercised without considerable expenditure. It would not be sufficient that men should simply be required to register themselves regularly at the labour exchange when they were out of work and to accept a situation when offered to them; a stricter and fuller control would be necessary if it is to be effective.

One incidental advantage of a compulsory scheme is that there is less objection in such a scheme to compelling employers to contribute, whereas in any voluntary scheme there are some obstacles in the way, though not insurmountable obstacles if it is considered that the payment of contribution by employers is essential. If employers are compelled to contribute the cost to the state of assisted insurance will be less. But the cost would probably not be so much less as might at first be supposed, and also the requiring of contribution from employers is itself not free from objection.

(*g*) A compulsory scheme would also bring some danger to the work of the labour exchanges themselves. The claims on the fund in respect of the less competent workmen would be high and might endanger the stability of the scheme of insurance There would be some temptation to relieve the insurance fund by finding work as soon as possible for those who were a heavy drag on it, even by giving these members preference over other workmen more able, but who were not a charge on the fund—it would doubtless be arranged in any scheme that a person would not be able to claim benefit as soon as he became unemployed but would have to wait a number of days before benefit

began. If the labour exchanges surrendered to this temptation the results could not but be injurious to their work.

(*h*) It may be contended that a compulsory scheme of insurance would afford excellent means of sorting the sheep from the goats, the good and deserving worker from the shirker. But this is not in itself an adequate reason for embarking on a compulsory scheme, and a scheme of assisted voluntary insurance against unemployment could be so worked as to give very good means of discriminating between the deserving and the undeserving.

(*i*) A weightier contention is to the effect that a large proportion of the workmen who would be attracted to a voluntary scheme of insurance might be "bad risks," and this, if it occurred, would be fatal to any system of genuine insurance; whereas a compulsory scheme would automatically bring within its fold the good as well as the bad. This important consideration, as already pointed out, is conclusive against any voluntary provided scheme standing alone, and raises doubts whether it is advisable to establish such a scheme even as a supplement to the assisting of insurance effected through voluntary associations.

But the objection is not valid against a system which works through voluntary associations, more particularly trade unions. These will generally contain a large proportion of good risks, a larger proportion probably than in a compulsory scheme, for the workman who is frequently unemployed tends to drop out of the trade union.

The age of the workman is an important factor in unemployment. Some striking figures bearing on this aspect of the question were given by Sir H. Llewellyn Smith, in the address delivered by him in September, 1910, as president of the Economic Section of the British Association: "For example, among a body of nearly eight thousand engineers, whose industrial

records were analysed for the purpose, I found that whereas the average number of working days lost in the year by the whole body was less than fifteen, that for members below the age of forty-five was less than twelve, while for the members between the ages of forty-five and fifty-five it was twenty, and for the members between fifty-five and sixty-five, thirty-three."[1] It is not considered practicable for the present at least to grade contributions according to age, and therefore it becomes the more important that workmen should join any scheme of insurance while young; members who join late in life would, on the average, draw a larger proportion of benefit than their contributions warranted. Under a compulsory scheme each person to whom it applied could be caught as soon as he became a worker, which would be a considerable advantage.

The danger to a voluntary scheme in this respect is from a particular kind of bad risk, that due to age; and what has already been said with regard to bad risks in general applies also in this case—a voluntary provided scheme would be very liable to be swamped by bad risks and some safeguard would be essential; voluntary associations, on the other hand, can generally be trusted to make strong efforts to secure young members, and as a rule with success.

(*j*) Some of the difficulties incidental to a compulsory scheme would be reduced if it were applied only to a limited number of trades. But the difficulties would only be reduced, not removed, and new bones of contention would appear. The case of the man who at one season was occupied in one of the scheduled trades and at another season was occupied in a trade to which the scheme of insurance did not apply would present difficulties. If he were compelled to pay contributions, he might frequently not pay for a sufficient time to

[1] *Economic Journal*, December, 1910, p. 523.

enable him to claim benefit in case of unemployment, and it would also be difficult to check unemployment in his case.

Further, if state assistance were granted under the scheme of compulsory insurance, the trades which were not brought within the scheme might complain because they did not receive a similar subsidy, while complaint might also be received from trades in which short time was worked. But the introduction of compulsory insurance against unemployment would be a bold experiment, and it would not be difficult to make a case for proceeding tentatively and in selected trades at first. There might also seem to be danger of migration to the favoured trades, but this would scarcely be serious, for the mere assisting of insurance would not be likely to make the conditions in a trade appreciably more attractive.

(*k*) Finally, there is the broad objection, of fundamental importance, that it is not generally desirable to exercise coercion in social matters unless there is obvious necessity or very clear and great advantages. Such coercion does not make for ultimate progress, does not make for the growth of that sturdy initiative and self-reliance which are essential if social vigour and democratic control are to flourish together. Coercion is mechanical. The quality of living things is to respond to stimuli. They possess vitality in the degree to which they do respond, and man and society are living things. It is not enough that the evil to be met is great. That is admitted, and it will justify stern remedy. But it is necessary also to consider whether the remedy proposed is practicable, whether it is effective, is not over costly, and is not likely to bring incidental consequences which will seriously injure the community. It has not hitherto been shown that compulsory insurance meets these requirements.

Moreover, when the proportion of public assistance given is large, the result is scarcely consistent with the

fundamental principle of democracy. For it is then almost inevitable that the insured persons will participate but little in the control of the work. Things are done for them, not by them. They are kept in a state of tutelage and there is nothing to develop their independence, to develop the habit of realising their own needs and of finding means, by their own efforts and under their own management, of providing for those needs. A democratic nation must in the ultimate depend for its strength on the ability of its citizens to manage themselves. A compulsory scheme, unless carefully safeguarded, is not likely to foster this quality. If compulsion in measures connected with unemployment be required for some of the more backward members of the working-classes, if they are not competent to manage and to provide for themselves and stand in need of guardianship, this should be fully recognised and adequate safeguards be taken in any measures adopted for their benefit so that neither the persons assisted nor the measures of assistance shall corrupt others.

On the whole, therefore, there does not seem to be adequate justification for a compulsory scheme of insurance at present. Its attendant risks are not met by any convincing promise of sufficiently counterbalancing advantages.

If, despite the attendant risks, it should be decided to embark on a compulsory scheme, certain precautions seem essential. For reasons to be stated in the next section, nothing should be done to injure existing societies, such as trade unions and friendly societies, which provide insurance against unemployment; on the contrary, as will be shown later, the utmost use should be made of such organisations and their growth should be encouraged: it would be reasonable that some slight preference should be given to insurance provided through them. The contributions of the workmen should not be so low as to give the scheme the

appearance of relief; the scheme should be one of assisted insurance, not charitable aid. So far as possible the insured persons should have a real voice in the management of the scheme—this not only in the case of those insured in voluntary societies, which should be left to manage themselves in the main, but also in the case of those insured directly in the state scheme: the active participation of the insured would be desirable, not only for purposes of control, but also because no country could afford to lose the valuable lessons in self-government which would be received by active participation in management. It should be fully recognised at the outset that pressure would almost certainly be brought to bear on those responsible for the scheme to reduce the requirements in order to meet the needs of those less able to provide for themselves, and that the success of the scheme would be seriously endangered if way were given to this pressure: strict regard should be had to the general interests of the community, and there should be a fixed determination not to lighten the scheme to meet the case of such persons. And it should also be recognised that there would be danger to the efficiency of the labour exchanges themselves if they allowed their work of finding the best man for each vacancy to be crookedly influenced by a desire to relieve the charge on the insurance fund.

No doubt by taking these and other precautions and by discreet management, the dangers which lurk in the path of compulsory insurance against unemployment could be reduced. But even if all were done that is possible in this way, it still seems preferable, for the present at least, to be content with less ambitious proposals. If a country first launched a scheme for assisting voluntary insurance, and if later conditions made compulsory insurance desirable, there would be no difficulty in effecting this, whereas if a compulsory scheme were immediately established and did not meet with success, its failure would almost surely disastrously block other proposals for assisting insurance, and the greater the disaster likely to result from failure the more reason for now proceeding tentatively and with caution.

(8) *In any scheme of assisted insurance against unemployment, the fullest use should be made of voluntary associations. Preference should be given to insurance effected through such associations.*

The success which has been obtained in voluntary schemes of insurance against unemployment has been achieved by working through voluntary associations — in practice, by working through trade unions. This is so in Belgium, France, Holland, Germany, Switzerland and Italy. In Denmark, the law requires that the associations through which insurance is provided shall be specially formed for the purpose. In practice, however, the associations are in closest connection with the trade unions, and are in fact, in nearly every case, the offspring of the latter. In Norway, the success of the scheme there adopted was imperilled because the government failed at first to obtain the co-operation of the trade unions. In large schemes in which use has not been made of trade unions, little success has been achieved.

Voluntary associations should not only be used, but should be given preference. This preference is justified because the associations save the central authority certain expenses, in the collection of premiums and the payment of benefit, for instance, and because, through the mutual control of the members of an association, a most valuable check is exercised on unemployment.

On broad social grounds also there is every reason for encouraging the organisation of the workmen in self-managed institutions. There is no better means of educating the workman in habits of self-reliance and co-operation than by helping him to form his own institutions for meeting the many needs which modern conditions thrust upon him. The truest education of the workman lies, not in lectures or in books, but in active participation in institutions which supply his wants. Work of this kind is the best school for fitting him for his duties as a citizen, and his life is also greatly enriched by taking a real part in such work.

Nor should the mutual interaction of trade union and

governmental authority, when they co-operate together for a common purpose, be overlooked. The knowledge and sympathy of each is widened, and probably the efficiency of each increased. The experience of Belgium in this respect is very interesting. ". . . it seems clear that the recognition by the public authorities of most revolutionary trade unions as organs of primary social duties has exercised a beneficent influence on the whole organisation of the workmen Confidence begets confidence, and the fulfilling of a real social duty soon engenders a sense of responsibility which modifies the mental attitude of the trade union. The Belgian trade unions, from being institutions of war, needy, destructive and detestable, ready to profit without scruple from every opportunity of throwing themselves, without reflection or care, into a terrible war against employers and the public powers, have become, more perhaps than in any other country, an active factor in the social organisation. Without losing their character as fighting machines, which could only disappear by suppressing their essential nature, the administrative organs of the trade unions, and their members too, regard themselves as regular factors in the social and administrative comity. Instead of placing themselves in opposition to the existing social organisation, they participate in the public administration, and become citizens interested in good financial management. During the last ten years the transformation is manifest, and it seems certain to develop more and more." (Louis Varlez, L'Assurance—Chômage en Belgique, 1910, p. 291; issued by the Musée Social, Paris.) And, adds M. Varlez, the co-operation of the trade unions and the public authorities has produced perhaps an even greater change in the mental attitude of the public administrations towards the working-class movement.

This is striking testimony given by one than whom there is no person more conversant with the Belgian workman, his character and his organisations and the development of these in recent years. Some may think that the experience of Belgium in this respect can have no moral for a country

like the United Kingdom where, it may be urged, trade unions have developed along soberer lines, where they have long been recognised as essential instruments in modern industrial organisation, and where, directly or indirectly, they have long received recognition from public authorities. But there is ample room even in this country for wider use of trade unions for social purposes, and there is crucial need, especially in view of some recent developments, of impressing trade unions more and more with the responsibility of their position; while it cannot yet be said that there is such insight among public bodies into the problems, the hopes and aspirations, the struggles and difficulties of the working-man that there is no longer need for accepting with readiness avenues of action which may lead to a better understanding of these. The lessons of Belgium have their application to every country, a very direct and immediate application.

The use of voluntary associations is quite compatible with compulsory insurance, should it be decided to undertake the latter. All that is necessary is that those persons who are adequately insured in voluntary associations should be considered to meet the requirements of the law without further insurance.[1]

All kinds of voluntary associations which genuinely provide insurance against unemployment should be encouraged. In practice, the associations would no doubt nearly all be trade unions, but any friendly society providing insurance against unemployment should be equally subsidised. In this country a little has already been achieved through friendly societies, and the persons who signed the majority report of the Poor Law Commission appear to contemplate the growth of a special type of friendly society which would provide insurance against unemployment. It seems doubtful whether very much would be likely to be accomplished in

[1] It is interesting to note that Mr. Cyril Jackson in his book on "Unemployment and Trade Unions," which appeared after the above had been written, ends up the chapter on insurance against unemployment with the statement that "A subsidy to trade unions is therefore not only the easiest but also the sole effective method of unemployed insurance" (p. 39).

the manner foreshadowed by the commissioners. Insurance against unemployment has hitherto been made mainly in trade societies, in which the incentive to organisation comes not only from a desire to secure some minimum of livelihood when unemployed, but still more from a desire to secure better economic conditions by concerted action. Among workmen who could but do not now make provision against unemployment, the defect is even more a lack of the general habit of organisation than failure to realise adequately the risk of unemployment; and the will to organise is more likely to be evoked by the wish of bettering their general economic conditions, and thus organising along trade union lines, with insurance against unemployment as one of the objects, than a desire simply to be secured against the distress which follows at the heels of unemployment. And little has hitherto been done through friendly societies, either here or in other countries, to provide against unemployment. Still, it is not improbable that, with the incentive of a subsidy, some societies would be formed expressly for providing insurance against unemployment, especially among the steadier and more enlightened members of occupations which are not yet organised in trade unions; and every encouragement should be given to the formation of societies of this kind.

The work of voluntary associations might be recognised either by simply paying subsidy on benefit provided through them, as is done at Ghent, or, if the state undertook insurance against unemployment, the insurance might be worked through any suitable voluntary associations which existed. At a conference held in November, 1910, attended by representatives of most of the trade unions affiliated to the Trade Unions Congress, a resolution was passed in favour of the working of a state scheme of insurance through the trade unions, whether a union itself paid unemployment benefit or not.

In immediate effect there is not much difference between the two methods. Subsidy would be paid on provision

effected against unemployment under the second method as well as under the first, if the amount to be paid in benefit under the state insurance were more than a return for the premiums paid by the workmen. But there are considerations which appear to make it preferable that the state assistance should be by way of simply subsidising insurance otherwise effected, rather than by itself undertaking insurance and working it through voluntary associations, so far as possible;[1] thus:—

when the insurance effected by workmen themselves is subsidised, there is a recognition that the carrying out of such insurance is a matter for them, whereas, when the state undertakes the insurance, the feeling that it is a matter for the workmen themselves is lost. And there will also be a corresponding loss in self-government:

when the insurance is undertaken by the associations of the workmen themselves, and the state simply subsidises, the latter escapes the actuarial difficulties involved in insurance against unemployment:

the paying of subsidy on benefit involves the least amount of interference with the work of the trade unions. It involves also the least amount of additional clerical work for the unions.

Some advantages might seem to result from the state's undertaking the insurance and working it through voluntary associations:—

under this system it could easily be secured that the same measure of assistance should be meted out to the organised as to the unorganised. But it should not be difficult to secure this under a system whereby subsidy was paid on benefit. (As previously explained, it would be justifiable, both on financial and on moral grounds, to grant higher rates of assistance to provision effected through voluntary associations; it is desirable also, that the system should be sufficiently elastic to allow of the payment of different rates of assistance in certain cases):

[1] The different forms of assistance are more fully considered later (p. 268).

if the state undertook the insurance it could exercise more effective control. But the state could exercise such control as was thought necessary as a condition of paying subsidy, though to some extent it might have more moral backing if it undertook the insurance itself. On the other hand, if the control of the state were excessive, there would be danger that the control of the voluntary association itself would be weakened:

for insurance undertaken by the state use could be made, not only of voluntary associations which themselves paid unemployment benefit, but also of any suitable organisations, trade unions more particularly, which did not provide such benefit. But if, as is suggested later, side by side with the subsidising of insurance effected through voluntary associations, the state itself also provides a voluntary scheme, use could still be made of associations that did not themselves provide unemployment benefit.

It does not seem, therefore, that any advantages would result, if the state itself undertook insurance in preference to subsidising insurance otherwise effected, which would be commensurate with the disadvantages of so proceeding.

With regard to provision through individual savings, experience goes to show that the chances of meeting with any considerable measure of success are so small that it is scarcely worth while offering any incentive in this direction. And, as previously explained, provision through individual savings is not so effective or so socially beneficial as provision through insurance.

(9) *It is advisable that, side by side with the encouragement of insurance effected through voluntary associations, a scheme should be established, maintained, and assisted by the community in which persons who are not members of voluntary associations which provide insurance against unemployment should be able to be insured.*

The provided schemes of general insurance which have

been tried on the continent have nearly all been failures. The one tried at Geneva was practically still-born; that at Basle succumbed; that at Berne lingers on with small membership and at very high cost. The scheme at Cologne alone has met with any real success, and even there the cost is considerable and the membership not large. As is to be expected, the persons who join such schemes are workmen subject to a large amount of unemployment, workmen connected with the building trades more especially, the more so since at Berne and Cologne benefit has been paid only in the winter months.

In the face of this experience, it scarcely seems reasonable to suggest that a provided scheme should be established. There appear to be adequate reasons, however, why, despite the failures of the past, provided schemes should be established on the understanding that they are only to be secondary to the assisting of insurance effected through independent organisations.

(*a*) In the first place, there is the general reason, which appears to weigh in some quarters, that the community should avoid even the appearance of siding with any class within its borders; and by assisting only insurance effected through voluntary associations—which, in practice, generally means assisting provision made through trade unions—the community in some measure encourages their growth. This reason, however, is not likely to weigh much with most impartial persons.

(*b*) It is desirable that unorganised workmen should be given facilities for making provision against unemployment. While encouraging workmen in every way to make provision through their own organisations, it must be recognised that for some workmen provision in this way is not possible, for the present at least; and it is undesirable that these workmen should be debarred from the opportunity of making provision in some other way.

(*c*) The scheme of provided insurance could be so worked as to encourage the making of provision, among the

unskilled especially. On the whole, if provision against unemployment is to go far among the unskilled, it seems essential that there should be special facilities for finding work for the insured who become unemployed. This seems to be the unmistakable lesson taught by the experience of Berne and Cologne. Already something is done by local and central authorities in postponing work until the time of trade slackness. Probably this practice will be extended. It seems reasonable that in filling vacancies on work of this kind, preference should be given to those who have made some provision against unemployment, either through a voluntary association or in the state-provided scheme. Not that the fact that a workman is insured should be the primary reason for giving some particular employment to him. It would not do to man a ship with persons chosen because they were in need of a sea-voyage. It is essential that any practice which may be adopted of postponing work until the time of slackness should be wholly dissociated from relief work. The suitability of a man for the work offered, his competence to do what is required of him, should be the first criterion in employing him. But granted equal suitability, then it seems reasonable that preference should be given to the man who has made provision against unemployment.

The like preference should be given to insured persons in regard to all employment filled through public labour exchanges, in so far as employers acquiesce. There appears to be no reason to think that employers would generally object. Indeed, in so far as employers have to contribute either through rates or taxes or otherwise to provision made against unemployment, it would be to their interest to reduce, so far as they could, the amount of unemployment among persons who were insured. It is provided in the schemes in force at Berne and Cologne, and at Basle and, in certain circumstances, also at Ghent, that preference shall be

given to insured persons in the finding of work through the labour exchange.

In this way, by making a discreet use of the preference for employment, there seems good reason for thinking that a provided scheme of insurance would meet with more success than continental experience would at first lead the doubting to suppose. The preference would afford a strong incentive to insurance, especially to unskilled workmen and to persons employed in the building trades, for these classes of workmen would be likely to benefit most from the adoption by public authorities of the practice of postponing necessary work until the time of trade slackness; and it is unemployment among the unskilled and in the building trades which most troubles local authorities. Further, that a man had insured himself against unemployment would be some criterion of his worthiness. An incidental advantage of giving preference to competent men who were insured would be that in this way the less desirable workmen—the incompetent, the shiftless, the work-shy—would automatically tend to be marked off; and clear demarcation of this class is a first essential to its proper treatment. As already stated, care should be taken to avoid confusing preference for work and relief work. Relief work is usually a snare. Work given should be necessary work, and the man employed should be employed primarily because of his ability to do the work.

Preference in unemployment should be the privilege of all insured persons, whether they were insured in voluntary associations or in the state scheme. If it were confined to the latter, insurance in the state scheme would be encouraged to the detriment of the preferable insurance through voluntary associations.

It has been suggested by the Bavarian government that in the administration of provided schemes use should be made so far as possible of any associations among the workmen assisted which do not give unemployment benefit. This suggestion seems worthy of adoption. These associations could be used for the purposes of collecting premiums and of paying benefit, and also, to some extent, for purposes of

control. And by being used in this way the associations would be encouraged themselves to undertake insurance against unemployment. It might be possible to go even further. As is suggested in the next section, premiums should vary according to trades, and it might well be the aim of the insurance office to organise the workmen of the several trades into groups with some administrative functions. Such a group of workmen might well develop with discreet management into an association which itself provided unemployment insurance.

If the cost of administering a provided scheme were likely to be very high it would be doubtful, on the whole, whether it would be worth while incurring the expense, but in a country with a fairly well-developed system of labour exchanges it does not seem that the cost need be prohibitive. It is not likely that the number of persons who would join a voluntary state-provided scheme would be so large as to make control by a labour exchange difficult.

In any scheme of provided insurance provision should be made for giving some real voice in its management to the insured members.

(10) *In a provided scheme, the rates of premium should vary according to the risks of unemployment in the trade to which the insured member belongs.*

This may seem so manifest as scarcely to need mention. It would be as reasonable that every man should pay the same premium as that every man should pay the same rent for his house, whatever its size. But it needs mention because in some schemes the fact has been ignored, with the result that they have tended to be swamped by "bad risks." It is obvious that a man who is seldom unemployed will not willingly be equally yoked with one who is subject to much unemployment.

In voluntary independent associations of which the members follow the same trade the rates will automatically tend to be fixed according to the risk in the particular trade. In the case of such associations, the fixing of the rates should be

left to them, although power should be reserved to refuse recognition to an association in which the rates were obviously too low.

(11) *It does not seem expedient to require compulsory contributions from employers, at least when the insurance is voluntary.*

The question whether special contributions should be required from employers is one of the most difficult which has to be considered, and is not one for dogmatism. On the whole, it seems inexpedient to require such contributions, at least when the insurance is voluntary. Let us examine the advantages which may be considered to result from requiring employers to contribute.

(*a*) The employer is the cog of the industrial machine. The machine is driven by larger forces without, but the cog is an important part. It is desirable to gain the active interest of the employer in the warfare against unemployment. There is no more effective means of doing this than by making him bear part of the burden of unemployment.

Against this it may be urged that the tax on the employer would not be so heavy as to stir him to any very active measures in trying to secure more regularity of employment. It has been said that the assistance to be given to the workman should not exceed the amount of benefit provided through his own efforts. There seems to be no good reason why the employer under any system should be required to contribute more than the state. Therefore, the employer's contributions should be limited as a maximum to one-half the contribution of the workman himself. This might be enough to rouse his strident opposition to the levy; it is doubtful whether it would be sufficient to stir him to much thought to prevent unemployment once the levy was made compulsory.

(*b*) By levying contributions on employers it may be possible to penalise those trades and businesses in which employment is very irregular, and which

therefore may not, on the whole, make for social well-being.

It is well-known that one tendency of legislation, such as factory laws, which imposes duties on employers is to make the struggle for existence too severe for some of the worst organised concerns. A special levy for assistance to unemployment insurance would tend to have the same effect, especially if it were the heavier in proportion to the irregularity of employment. Conditions would thus be made more difficult, for instance, for concerns which only return a good profit when prices are high, and are therefore only worked to any considerable extent when trade is very prosperous; and on the whole this would be well, for it is not good that workmen should rely for livelihood on such intermittent employment.

It is clearly desirable that in determining the contributions to be levied on an employer regard should be paid to the irregularity of the employment provided by him. It would not be expedient or equitable that two businesses in which the same annual amount was paid in wages should have to pay the same contribution regardless of the fact that in the one employment was regular, whereas in the other it was very irregular. To levy contributions simply according to the amount of wages is to burden a business solely in proportion to the amount of the desirable thing (employment) which it gives without taking account of the undesirable thing (unemployment) incidental to the business.

But how grade contributions according to the degree of irregularity? A system could be devised, but it would present many difficulties, and would be complicated. For it would not do simply to take account of the degree of irregularity in the business itself. Some occupations are essentially seasonal, and it is sometimes possible to dovetail employment in one occupation with employment in another; and this would have to be taken in account.

It may be contended that if contributions were levied simply according to wages paid there might be some drawbacks, but that on the other hand, since each employer would have to pay something for the sins of his neighbour, a spirit of solidarity would arise and pressure be brought on the sinners to amend their ways. But it is doubtful whether any pressure forthcoming in this way would be decisive. More effective pressure could probably come from workmen adequately organised in their trades.

(*c*) Apart from any incidental advantages, it may be contended that the direct aid of a contribution from the employer would be of considerable assistance in the solution of the problem, reducing the sums which it would be necessary for the workmen to provide themselves.

But the reduction would not be so great as might at first appear, for if the employer has to contribute as well as the state, the contribution of the latter is likely to be considerably less than it would otherwise be. M. Varlez is even of opinion that a system worked through voluntary organisations with state subvention would be less costly to the workmen than a compulsory bureaucratic system, though contributions were received from employers as well as from the state.

The requirement that employers should contribute might arouse much opposition from them, especially in countries where they are required to contribute towards systems of sickness and invalidity insurance. At the same time, it must be admitted that in some respects there is more reason why they should be required to contribute towards unemployment, than towards sickness and invalidity, insurance, for they play a more direct part in the causation of unemployment than in the causation of sickness and invalidity.

The levying of contributions for insurance schemes might block some future proposals for putting new charges on employers in the form, for instance, of higher

sanitary or similar requirements. Employers might be able to urge with success that they were already sufficiently burdened. A bird in hand is worth two in the bush ; and it is a doubtful policy to forego present benefits for future problematical blessings; still, occasions will doubtless arise, and that not in the far future, for placing new obligations on employers, and this probability should not be left out of mind. Likewise also, in proportion as employers have to pay towards schemes for the benefit of workmen, the latter may find that these obligations will be raised as barriers to fresh demands for increased wages.

Employers would doubtless urge as one objection that the extra tax on industry of a contribution for insurance would itself intensify the evil which it was intended to mitigate, that business would be rendered less profitable, and thus would be curtailed, with the result that unemployment would be increased. But, as previously stated, the amount of the contribution to be required would not be large, and it has not been shown that industry could not bear the small additional burden without injury.

(*d*) Some lay stress on the contention that if contributions are levied on the employer the fact is thus brought home to him that he should run his business, not simply for private profit, but also for social well-being. He has to consider the circumstances and liabilities of the workman whom he employs. In other words there is a tendency to "socialise" him—a tendency which is still stronger if he participates in the management of the scheme for assisting insurance.

This consideration is of weight, but any influence in this direction would be much reduced by the fact that the employer so often to-day is largely "impersonal": the joint stock company has killed much of the personal tie in business. The best guarantee for the "socialisation" of the employer, or of the share- or stockholder, is through general ethical development goaded

into life by pressure from the workman's organisations. Moreover, the active participation of the employer in the scheme of assistance would have its own dangers for the workman.

(*e*) It has been urged that it is only fair that employers should contribute because it is convenient for modern business that there should be a large reserve of workmen who can be called upon in times of prosperity. If governmental authorities are going to enter on any large policy of regularising, or attempting to regularise, the demand for labour by discreet distribution of public work, this may be put forward as an additional reason, for it may be contended that in this way the workmen are kept in good condition ready for the time when their services will be required for ordinary industrial enterprise—and possibly also there may be less agitation for increased wages.

But the employer can make effective rejoinder to these contentions. It may be convenient to him that he should be able when business is brisk to call upon additional labour. But the general conditions and competition in his trade allow for this, and he is not enabled to reap an exceptional profit. And if this be so, while there may be reason for checking the existence, and still more the growth, of industries which lead to irregularity of work, still it would be hard fortune on the employer to tax him on the score of a convenience from which he derives no profit.

Reasons may be brought against the proposal that employers should contribute in addition to those which have been incidentally mentioned in the foregoing arguments; such reasons, for instance, as the following :—

that the requirement that employers should contribute implies to some extent that the workmen are to remain in a state of tutelage. But they should be sufficiently remunerated to enable them to provide by their own efforts for all the contingencies of life. The

notion that the employer should directly contribute towards meeting their needs presents a different ideal:

of more practical import is the risk that, if the employer is to contribute, he will demand some say in the distribution of the subsidy. This might be avoided by a purely bureaucratic management, but a purely bureaucratic management is to be deprecated. It is true that even if employers did have their representatives on committees of management these committees might deal only with the distribution of the subsidy and not with the conditions on which benefit was given. Still even then the interference of the employer might prove irksome to the workman, and it opens the doors to possible conflict:

connected with this is an objection which arises from the fact that any voluntary scheme of insurance would have to lean largely on the trade unions. Employers might not unnaturally object to contributing towards insurance provided through bodies with which they are sometimes in conflict. The same objection would arise in a compulsory scheme in so far as use were made of trade unions:

if insurance were voluntary, there would arise special difficulties with regard to the levying of contributions from employers. Would all employers be required to pay regardless of the question whether their employees were insured or not? Such a demand would raise much opposition. On the other hand, contributions could not well be required only in respect of workmen who were insured, for employers would then be inclined to employ the non-insured in preference to the insured, and the workman who did what was socially desirable would thus be penalised.

On the whole, carefully surveying the *pros* and *cons* and the many difficulties which arise, it seems inexpedient to require contributions from employers when the insurance is voluntary, and the question is not free from doubt even if the insurance is compulsory, though it is scarcely likely, in the

state of existing opinion, that a compulsory scheme would be introduced in any European country without requiring contributions from employers. If the employer does not contribute specially it does not follow, of course, that he does not contribute otherwise. He contributes to the rates and taxes from which subsidy is paid by the state and local authorities, and, as stated elsewhere, if the making of provision against unemployment becomes general among workmen, being recognised as one of the essential provisions of life, the probability is that it will ultimately win recognition in increased wages.[1]

In no scheme at present in existence is contribution from employers compulsorily required; all these schemes are voluntary. Singularly enough, in the one scheme of compulsory insurance which has been tried, that at St. Gall, contributions were not required from employers, and this is said to have been one reason—though not apparently a decisive reason—for the opposition of workmen to it. In the compulsory schemes proposed at Basle and Zurich, payments were to be made by employers.

In a few schemes which now exist employers voluntarily contribute; the schemes at St. Gall (in the lace and embroidery industry) and at Roubaix are the two most notable instances. Of course, if employers decided to contribute voluntarily, there would be no reason why they should not do so. On the contrary, every encouragement should be given to voluntary contributions from employers. If power were given to local authorities to contribute some subsidy over and above what was paid by the state (including the part to be recovered from local authorities), there would be opportunity for public-spirited employers to co-operate with the local authority in assisting and stimulating provision against unemployment in the district in which their businesses were situated or where their workmen lived.

[1] It is also important to bear in mind that employers will not necessarily themselves have to bear the burden of a compulsory contribution they may be able to shift it to other shoulders, to employees or consumers, for instance.

Reference has been made in the second chapter to the proposals of Dr. Zacher that involuntary unemployment due to strictly industrial causes should be wholly a charge on the employer, while it should be left to the workmen themselves to provide against unemployment due to personal causes. The proposal seems impracticable. How distinguish between unemployment due to personal and to industrial causes? The two are very frequently inextricably mixed. A man may be dismissed because of some personal fault or defect, whereas had trade been brisker, he would have been retained; the fault or defect is the occasion of the dismissal, but fall in trade may be the principal cause.

There are objections of principle, too, from the workman's side, similar to some of those which have been put forward with regard to contributions from employers. If the burden of providing against unemployment due to industrial causes is to be placed entirely on the employer, the workman will be kept more or less under tutelage. He is to be dependent on the employer—under state protection, it is true, but still dependent—for provision against one of the contingencies of life. However great the immediate advantages in security, this is scarcely compatible with the workman's ideal of a more democratic mastery over the circumstances of his existence. It is much better that, if possible, workmen should themselves organise adequately to meet the risk. And in organising adequately to meet one risk, they will be making themselves the stronger to meet other risks also.

(12) *Subsidy should be paid in proportion to benefit.*

At Ghent and at most places which grant assistance to insurance against unemployment, the subsidy is distributed in proportion to the benefit paid. This system has considerable advantages—

the object is to assist a man to provide against unemployment according to the effort made by himself and, in some measure, according to his need. In proportion to his ability and his will, a man will provide benefit according

to his need, and by paying subsidy on benefit, he will be assisted therefore according to will and need. It may be desirable also to take some account of his ability, his opportunity to make provision, and a suggested way of doing this is stated later:

payment according to benefit involves the least interference with the associations, generally trade unions, through which provision is effected. All that is necessary is to make sure that benefit is actually paid and that it is paid within the conditions which justify payment of subsidy. The subsidising authority is therefore able to confine itself to what is its essential object, the assisting of provision genuinely made. This undoubtedly is a supreme merit.

At a number of places, subsidy is paid on a system differing wholly or partly from that at Ghent. Thus in Denmark, subsidy is paid in proportion to contributions, and the same system prevails at Lyons. At Basle and at Liége part of the subsidy is so distributed. Comparing distribution according to contributions with distribution according to benefit—

as regards the amount of assistance given there should not be much difference. Over a sufficiently long number of years the contributions received should be about equal to the benefit paid plus expenses of management. The expenses of management should be small as compared with the benefit paid. Moreover, by confining subsidy to benefit, associations are encouraged to keep the expenses of management as low as possible. It is important to note also that the subsidising authority can have little control over the expenditure under this head without considerable intervention in the affairs of the association.

In Denmark, one incidental advantage of paying subsidy according to contributions is that in this way subsidy is also paid on the expenses of administering the labour exchanges which are run by unemployment associations. But it is open to question whether it

would not be better to pay a subsidy directly in respect of the work of the labour exchanges, rather than to include it in the subsidy in respect of unemployment insurance:

subsidy cannot with security be paid on contributions without considerable supervision of the work of the associations. When the association has other objects besides that of insurance against unemployment it will be necessary that the premiums paid in respect of the insurance shall be separately stated and that the unemployment funds shall be kept distinct. For the subsidising authority must make certain that the contributions in respect of which subsidy is paid are genuinely used for insurance against unemployment and not for any other purpose. This condition would probably be opposed by many trade unions, though doubtless most would be willing to separate their funds rather than lose subsidy:

objection may be made to distribution according to benefit and to distribution according to contributions on the ground that a larger amount of assistance is given to those who are the better able to make provision. The higher rates of contribution (and of benefit) will be paid (and received) by the higher-waged workmen, and they will therefore receive a larger subsidy. This will be modified to some extent if the practice adopted at Ghent is followed of paying subsidy only up to a certain limit of benefit and only for a certain maximum period of time. In this way, according to the limits which are fixed, approximately the same amounts may be paid to rich and poor among the working classes, to the aristocratic printer and the plebeian labourer. This question will be further considered later.

It might also be well to give discretion to the committee of management, subject to the approval of the central authority, to fix different rates for different classes. If restrictions were made as above suggested it might not be necessary to fix differing rates, but there

would be much justification for them, unless the maximum subsidy were fixed at a very low figure.

The varying standards of living must of course be taken into account; 20s. is not so much to an artisan as to a general labourer, and the need of the former for assistance to insurance is not by any means less to the amount that the benefit provided through his own efforts exceeds that secured through the efforts of the latter, while at the same time it is not to the good of the community that the artisan's standard should be reduced; rather should he be encouraged to maintain it. While making full allowance for all this, however, it has to be recognised that the well-paid artisan has a larger surplus, relatively, for making provision against unemployment than his more lowly placed fellow. It is clearly most desirable that insurance should be pushed as much as possible among the lower ranks of workmen. It is with them that the main difficulty lies; it is among them that the problem of unemployment is acutest at the present time. How far down into the industrial strata insurance can penetrate, exactly to what grade of workman it can be applied, remains to be ascertained. But it can certainly penetrate, with discreet financial and moral encouragement, much lower than it has hitherto done, and to secure the exceeding great advantages of reaching a lower layer, it may be well worth giving a more generous measure of assistance to the more needy:

by paying subsidy on contributions, the assisting authority in some measure may seem to accept responsibility for the adequacy of the contributions. Legally that may not be so, but it would be difficult not to appear to take at least some moral responsibility, especially if, as in Denmark, for instance, the regulations of the unemployment associations were practically subject to sanction and their work closely supervised. But it seems desirable that the responsibility should be left clearly to the associations themselves, while at the same time there should be opportunity for applying discreet

pressure so that they may make their rates of premium adequate:

just as the state would have to consider whether the rates of contribution were not too low, so also it would have to consider whether they were not too high. Thus one complaint which has been brought against the system at Lyons, where subsidy is paid on contributions, is that only a part of the subsidy is expended on benefit and that the unions are accumulating large reserves:

one of the chief objections which is brought against the payment of subsidy wholly according to benefit is that under such a system nothing is done to encourage the building of adequate reserves, whereas when subsidy is paid according to contributions this can readily be effected. Thus at Basle, the whole of the subsidy on contributions goes to a special reserve; and in Denmark, the inspector makes a strong point of pressing on associations the need of adequate reserves. It has been urged that at Liége also the giving of part of the subsidy according to contributions facilitates the provision of adequate reserves on the part of the trade unions.

Undoubtedly the question is of importance. At periodical intervals, the stress of crisis recurs, the funds are subject to special strain, a strain which may prove too great unless timely preparation has been made in previous years to meet it. Nevertheless, it seems best on the whole that even this matter should be left to the associations themselves. They will gradually learn, in the school of stern experience, as our friendly societies have learnt, the importance of adequate reserves. And the building of reserves is the easier because the periods of exceptional stress recur at short intervals, so that the teachings of one crisis can be quickly applied to meet the next. Adjustment is to some extent rendered more difficult by the fact that the liability of a worker to unemployment seriously increases with age. It would be sounder to allow for age in fixing premiums. But if a trade union continues to retain about the same

proportion of members of different ages, the question of age will not be of much practical importance.

On the other hand, if the state requires that a certain part of its subsidy shall go to a special reserve, (1) it must make regulations as to the circumstances in which the reserve is to be used, and this opens the door to difficulties, though perhaps these could be minimised by fixing for each association a certain percentage of unemployment at which the reserves could be drawn upon; (2) the state must see that the reserves are used solely for the purposes of unemployment insurance, which would necessitate more intervention in the affairs of an association than when subsidy is paid only on benefit: another argument which has been urged in favour of the payment of subsidy according to contributions is that this system is more convenient for public finance. Contributions remain fairly steady year by year in proportion to number of members, and therefore the yearly subsidy to be paid would not vary much. On the other hand, the benefit paid varies very considerably, and so therefore does subsidy when paid according to benefit; and the largest sums have to be paid at times of industrial depression when the community is least ready to meet extra charges. But against this has to be placed the fact that the amount paid in subsidy will be but a small part of the total budget, whether of state or municipality, and if the matter is of sufficient importance, the authority itself—or the managing committee, as suggested at Ghent—could accumulate its own reserve to meet periods of exceptional strain.

It will be remembered that the French Northern Section of the Association for the Legal Protection of Workers advocates a system whereby one-third of the subsidy is distributed to associations in proportion to number of members, the other two-thirds being distributed according to benefit. This proposal certainly has some attractive features:—

it favours those less able to make provision. So far as

the subsidy distributed on membership goes, the same amount would be paid in respect of a labourer earning comparatively low wages and finding it difficult to make provision, as in respect of the engineer earning good wages and for whom reasonable provision should not be difficult; and it is the former who needs most assistance, and on the whole the community is justified in giving him more. The same result, however, would be achieved by giving him a higher rate of subsidy on benefit:

associations would be encouraged to attract "good risks," for they would receive the same rate per member for the sheep and the goats, for the man in constant work and for the man frequently on the funds: and

they would be encouraged to develop their work-finding activities, for they would receive the membership-subsidy whether the member was in or out of work: this appears to be the principal reason why the system is advocated by the French Northern Section.

But in regard to the last two contentions, it may be urged that when subsidy is paid on benefit and forms as a maximum not more than one-half of the total amount paid to an unemployed person, the burden of unemployment benefit to the association affords an adequate incentive to that body to do all it can to attract good risks and speedily to find new jobs for unemployed members:

it could be made a condition that the subsidy distributed according to membership should be carried to a special reserve. But reasons have already been given why the question of reserve should be left to the associations themselves.

And payment according to membership has some difficulties of its own: thus—

it would be necessary to take precautions against a show of making provision against unemployment merely in order to obtain the subsidy. The state would be bound to lay down certain requirements as to amount of

contribution or of benefit, and this were best avoided and is avoided when subsidy is simply paid on benefit:

it would be necessary to have safeguards that the subsidy so paid is used for the purposes of unemployment insurance, which would necessitate intervention in the management of the internal affairs of the associations which, as already stated, is best not undertaken:

it would not do to distribute the subsidy as at Armentières, for instance, where the system of the Northern Section is followed. There, it will be recollected, a third of the total credit allotted by the municipality for assisting insurance is paid according to membership. The whole of this sum is thus automatically distributed, whereas, since insurance against unemployment is not highly developed in the town, and therefore not much benefit is paid, only a small part of the total allotted for distribution according to benefit was granted—the sum granted on membership much exceeding that granted on benefit. Clearly this is not a commendable result, and it seems preferable, even where part of the total amount is given according to membership, that the total amount should be fixed according to benefit paid.

On the whole, having regard to the practical difficulties, involved, it seems well not to introduce distribution according to membership, and despite the efforts made to improve on the practice adopted at Ghent, that practice still seems the best, especially so if great stress is laid, as I think ought to be laid, on the desirability of allowing workmen as much liberty as possible as to the manner in which they organise insurance against unemployment. It has to be borne in mind that it is through trade unions that provision against unemployment has hitherto been mainly effected, that trade unions, very naturally, are jealous of any interference with the management of their own affairs, and that generally, at present, they do not keep unemployment funds wholly separate from other funds. Any effective scheme for encouraging insurance against unemployment must win the active sympathy of the trade unions. Their goodwill can be gained by allowing

them as much freedom as possible in the management of their own internal affairs. Will any counter-balancing advantage be gained by adopting a system which would necessitate interference? I think not; on the contrary, the best results will be gained by allowing them full freedom so long as they furnish what is the essential thing in this matter for social well-being—judicious provision against unemployment.

(13) *It is advisable to provide that different rates of subsidy may be given to different classes of workmen, or for different kinds of unemployment, or in respect of different forms of provision.*

The question of providing that different rates of subsidy may be paid to different classes of workmen has been considered in the preceding section. No scheme at present in existence expressly provides for a preferential rate of assistance to the lower grades of workpeople, but it seems advisable, for the reasons already stated, that provision of this kind should be made.

At Ghent, different rates of assistance are given according to the cause of the unemployment, a lower rate of assistance being given when the unemployment is due to the breakdown of machinery or to a fire; a lower rate is also given to minors than to adults. At Basle it is left to the discretion of the Executive Council to fix different rates, and the law provides that the rates both of contribution and of benefit may differ according to the occupations, the earnings, and the family circumstances of the insured. In France the state grants more liberal subsidy when the provision is made through general associations than when it is made through local associations, the former being considered more effective agencies in dealing with unemployment. Some authorities also consider that a lower rate of assistance should be given to provision made by individual savings than to provision made through insurance, and a provision to this effect is included in the scheme recommended by the Bavarian government to the municipalities of the kingdom, and has

recently been recommended for a second time by the committee in control of the Ghent scheme.

(14) *The rates of assistance should be fixed by the committee of management, subject to limits which should be set out in the law, and to the approval of the central authority.*

It has been stated that provision should be made for the payment of different rates in certain cases. It is not advisable that the different rates should be rigidly fixed in a law. The machinery should be sufficiently elastic to allow the rates to be varied to meet changing circumstances. At Ghent the rates are fixed by the committee of management. At Basle, the determination of the rates is left to the Executive Council. A combination of the two systems appears on the whole to be preferable, the rates being fixed by the committee, subject to the approval of the central authority.

It seems desirable that the rates should be fixed by the committee in the first instance, because the committee will have more intimate knowledge of the existing conditions, and discrimination in the rates of assistance will be better received by workmen when it comes from a body containing their own representatives. It is important also that the committee should have a good status, and the giving of an important voice to the committee in fixing the rates of assistance would help to enhance its position.

The approval of the central authority should be required to the rates of subsidy, if the government has to pay the major part of the subsidy, and the fact that the approval of the central authority was necessary would tend to make the committee of management more circumspect. The central authority should not modify the rates fixed by the committee except on very strong grounds.

(15) *It is desirable that any scheme of assistance to insurance against unemployment should be worked in close connection with an efficient system of labour exchanges.*

It is clear that in any efficient system of insurance against

unemployment there should be effective means of finding work for insured persons who are unemployed. It does not necessarily follow that these means should be provided by the state or local authority. Where the insurance is effected through a trade union, for instance, the union itself may be able, with perhaps some supervision and guidance, to exercise effective check on the genuineness of the unemployment and to provide means of finding work for unemployed members. Thus the scheme in Denmark is not worked in conjunction with a system of public labour exchanges. The employment associations are encouraged to provide their own exchanges, and, although in the past, in some instances, the means of finding work and of checking unemployment have not been wholly satisfactory, rapid progress is being made under the discreet pressure of the central authority.

It appears to be generally felt, however, that the co-operation of a public labour exchange is desirable. Thus, at Ghent, efforts have been made to increase the check of the municipal labour exchange on the unemployment in respect of which assistance is given. At Strassburg, the control of the labour exchange is especially efficient.

In the general report presented to the International Conference on Unemployment at Paris by Dr. Falkenburg, of Amsterdam, on the question of checking unemployment in connection with insurance schemes, the writer concludes: "In my opinion, the question of control is thus in large measure bound up with the development of labour exchanges; further, the efficient working of these institutions can only be secured by the public authorities when they are placed under the regular direction of a committee composed of equal numbers of employers and employed."[1] He considers that an authority which renders assistance to insurance fails in its duty to the public if it rests content simply with the information furnished by the trade unions. It is significant, however, that he suggests that it should be left to the trade union to decide what kind of work an unemployed member

[1] Rapport général sur la Question du Contrôle des Chômeurs dans les Caisses d'Assurance, par M. le Dr. Ph. Falkenburg, p. 6.

should be required to accept on penalty of forfeiting subsidy if he refuses. "I do not think that an unemployment fund or an unemployment committee [managing the distribution of subsidy] can give exact and definite instructions on this subject. The question is a very delicate one; it is to some extent a question of the morals of the workman, and one which is much better submitted to the decision of the trade union."[1]

The danger of extending the control of a public labour exchange is that the control of the association may be weakened, and this should be avoided. The strong exercise of control by the associations should be fostered in every way. The check of a public labour exchange should not supersede, but should aim at strengthening, such control. It should be exercised, so far as possible, through the association. Some of the measures taken on the continent seem to overlook this. The co-operation and check of the labour exchange, which should be most beneficial if kept within its own proper channel, might be harmful in its ultimate results if it overflowed its due limits and weakened the efforts of the associations themselves.

In provided schemes, the necessity for a well-organised labour exchange is manifest. To offer unemployment benefit without any adequate check on claims is to invite fraud, as is amply proved by the experience of St. Gall, Bologna, and Venice.

(16) *Preference should be given, so far as possible, to insured persons in work found through public labour exchanges or through other public institutions, always strictly subject to the suitability of the person for the work given to him.*

This subject has already been considered at length (pp. 257—9).

(17) *Insurance against unemployment is practicable for large numbers of workmen not now insured, including large numbers of unskilled workmen.*

For the skilled worker earning good wages and in fairly

[1] P. 4.

regular employment, insurance should not present any difficulties. But at present large numbers of such workmen are not insured. Some statistics on this matter are given in the majority report of the Poor Law Commission, Part VI., Chapter 4, paragraphs 590—2. There is every reason to suppose that, with discreet encouragement, insurance could be largely extended among this class.

In the same report of the Poor Law Commission it is stated:—". . . we see no reason why a very large number of unskilled labourers, induced by the advantages held out by insurance and the labour exchanges, should not form themselves into organisations capable of participating in the system of insurance assisted by public funds" (Part VI., paragraph 598). There seems good reason for supporting this conclusion. It is true that in some quarters it is not expected that unskilled workmen can do much in the way of insurance. Thus at Strassburg, the municipal authorities apparently considered that it was necessary for the most part to provide employment for unskilled workers and for workers in the building trades during the time of winter slackness, employment which to some extent partakes of the nature of relief work and is costly to the municipality. It is significant, however, that in the report for 1909 on the assistance given to insurance against unemployment, it is suggested that insurance should be made compulsory for workers in the building trades.

In provided schemes, a large proportion of the insured are unskilled workmen, but these schemes have not been very satisfactory, and in connection with them also some relief work is given. It is to the experience of autonomous schemes that we must look for guidance. Very definite information is not given as to the number of unskilled workers who participate in schemes of this kind. At Ghent, it is estimated that of the 18,000 members, some 8,000 are fully skilled workmen (or -women), about an equal number partially skilled, and some 2,000 unskilled. The number of women in the total 18,000 is about 6,000, practically all employed in the textile trade and as a rule earning

comparatively low wages. Of the 84,000 persons who participated in the Danish scheme at the end of March, 1909, 21,500 were members of an association of general labourers and another 900 belonged to an association of builders' labourers. The experience of Ghent and of Denmark clearly shows that it is possible for large numbers of unskilled workmen to provide insurance against unemployment through their own associations, with some measure of assistance from the community.

To encourage insurance in the case of the unskilled, it might be found justifiable, as previously suggested, to pay a higher rate of subsidy in some cases. The preference in giving employment, while always safeguarded so as to prevent it from degenerating into relief, should also be a strong inducement.

(18) *The total amount received in unemployment pay should be considerably less than the usual wage.*

In Denmark and at Basle, provision is made in the laws that the total amount of unemployment pay shall not exceed two-thirds of the usual wage. In the Norwegian law, the limit is fixed at one-half of the usual wage. Some provision of this kind is necessary. Economy of effort sometimes takes devious ways, and the temptation to idleness may be too strong if the amount which a man can obtain because he is unemployed too nearly approaches what he can earn at his work. It is for this reason that Ghent pays a lower rate of subsidy to minors than to adults. And it is partly for the like reason that friendly societies in England limit sick pay to an amount well below the usual earnings. It is scarcely likely that in any scheme which approaches genuine insurance the workman would be able to make such liberal provision as would present any danger.

(19) *Subsidy should be paid in respect of unemployment occurring at any time in the year.*

In the maintained schemes at Berne and Cologne, benefit has been paid in respect of unemployment only during the

winter. The result is that the members have been almost exclusively persons subject to much unemployment at that season. In large measure, the schemes are in fact merely forms of special assistance to persons employed in the building trades. It is proposed that the payment of benefit should be extended to the whole year, so as to attract other classes of workmen.

In any scheme of insurance maintained by a governmental authority insurance should only be possible for the whole year. Even persons employed in the building trades, for instance, though chiefly unemployed during the winter, may also find themselves unemployed and in need of provision at other seasons.

The widest freedom should be allowed to voluntary associations to make their own arrangements, and if an association provided benefit in winter only, there is no reason why subsidy should not be paid to its members. Some persons consider that normal seasonal unemployment—seasonal unemployment which may be expected to recur year by year—should not be assisted. Under present conditions, however, it would be inexpedient to refuse assistance in respect of such unemployment. At the same time it would be reasonable to recognise the exceptional character of seasonal unemployment by requiring a longer "waiting period" before payment of subsidy commenced.

(20) *Subsidy should not be paid in respect of the first few days of unemployment.*

In many of the continental schemes in which public assistance is given, subsidy is not paid in respect of the first few days of unemployment. Thus, in Denmark, benefit must not be paid in respect of a "waiting period," which must not be less than six days or ordinarily more than fifteen. At Ghent the matter is left mainly to the associations; but measures have recently been taken to prevent the payment of subsidy in respect of short periods of unemployment.

There are several advantages in not paying subsidy in respect of the first few days of unemployment. The claims

are largely reduced. Assistance is concentrated on the period of greatest need—the period of prolonged unemployment. For unemployment which lasts only a few days, ordinary savings should well suffice. Moreover, when the unemployment is only of very short duration, it is often difficult to make sure that it is genuine.

But any measures in this direction should be taken with circumspection and only after consultation with the representatives of the workmen. Thus, at Ghent, some trade unions have objected to the endeavours to restrict the payment of subsidy in respect of short periods of unemployment on the ground that it is the less competent and less steady workmen who suffer most from long periods of unemployment, and that it is the best types of workmen who suffer only from short periods; restrict still further the payment of benefit for short periods and you make these best types, just the ones whom you want to bring into your insurance scheme, still less inclined to join it. Clearly the objection has weight.

Ordinarily it may be found sufficient to provide that subsidy shall not be paid in respect of the first six days of unemployment occurring within a period of three months. In the case of seasonal trades, however, as suggested in the previous section, special provision should be made as regards unemployment during the period of seasonal slackness, during the winter in the case of the building trades, for instance. In these cases it would be well to fix a longer waiting period, thus recognising that seasonal unemployment is not exactly on the same footing as ordinary unemployment. In Denmark this is recognised by the special provision in the law that in the case of seasonal workers a longer period than fifteen days may be fixed, with the consent of the Minister of the Interior.

(21) *A limit should be fixed to the daily amount of subsidy which may be received by any one person and also to the time for which subsidy may be received.*

Such limits are fixed in most schemes. Thus, at Ghent

the subsidy is not paid on more than 1 franc (9½*d.*) per day of benefit or for more than sixty days in the year. This period of sixty days is a very usual limit. In Denmark and Strassburg no limit of time is fixed, assistance being paid so long as benefit is paid by the association.

It seems advisable to fix limits. The high rates and long periods of benefit are paid by the aristocracy of labour, workers who are in a better position than their fellows to make provision, and who, if subsidy were paid on the full rate and for the full period of benefit, would proportionately draw much more in assistance than those who were much worse off; and, as previously explained, this would not be quite fair or socially expedient. The chronically unemployed would also be favoured to some extent if subsidy were paid without limit. That this is no mere theoretical objection is proved by the particulars given in the first chapter respecting compositors and bookbinders. Still, the danger from this latter direction would probably not be very great.

The limits for this country should be higher than those which at present obtain in Ghent. It would probably be found that much the larger part of the unemployment against which insurance was taken would fall within any reasonable limit of time which would be fixed. Full freedom should be left, of course, to the associations to fix their benefits as they thought fit. The limits should apply only to the subsidy, but it has to be remembered that the conditions on which subsidy is granted will undoubtedly influence the terms of benefit fixed by the affiliated associations.

It is important also to bear in mind that it is in years of depression that the problem of unemployment becomes very acute, and in those years there may be comparatively a large number of insured persons out of work for long periods, and that included in this number may be a considerable proportion of persons whose average annual unemployment during a period of ten years is not high. It would be desirable, therefore, in fixing the limit of time for which subsidy is granted, that account should be taken not only of the

annual unemployment, but of the total unemployment during a trade cycle of years.

(22) *Provision should be made that, in proportion as a member exhausts the limit of subsidy, so he must contribute for a longer period before he again becomes entitled to subsidy, or, as an alternative restriction, that the period during which he may receive subsidy in the next year shall be shorter.*

Obviously no scheme of insurance can afford to encourage parasitic members. It would be disastrous if the same persons drew the maximum benefit year after year. In insurance effected through voluntary efforts the associations themselves to a large extent would probably make adequate safeguards. But even in the payment of subsidy on insurance effected through voluntary associations, it would be well that a provision such as that suggested should be made: in a provided scheme it is essential. At Ghent, it will be remembered, the need of making restrictions on the payment of benefit to those who have drawn the maximum in the previous year has been felt, and provision has been made accordingly by associations, in some cases on their own initiative, in others on the initiative of the committee of management. In the Danish scheme there is a special clause to prevent the same persons drawing the maximum benefit year after year.

(23) *The rate of subsidy should not vary according to the persons dependent on the recipients.*

In some cases the rate of subsidy is larger in proportion to the number of persons depending upon the recipient. Thus, under the Basle law, the Executive Council may vary both the rate of contribution and of benefit according to the "family circumstances" of the insured.

But this principle introduces a factor alien to insurance, a factor which, on the whole, is better left out. It is most important that any scheme of assisted insurance against unemployment should not be tinged with the spirit or idea of relief.

Briefly summarising the main outlines of the conclusions at which we have arrived, we may state that—

(*a*) Subsidy should be paid by public authorities on insurance made against unemployment, especially on insurance effected through voluntary associations.

(*b*) A scheme of insurance against unemployment should be established by the state for those workmen who do not belong to voluntary associations which make such provision. On the whole, it does not appear that insurance should be made compulsory.

(*c*) It should be fully recognised that the more desirable form of provision is that effected through voluntary associations managed by their own members. The formation of such associations should be encouraged as much as possible.

(*d*) The assistance which is granted should be of such a kind and so given as genuinely to encourage self-help.

(*e*) So far as possible, preference should be given to insured persons in the filling of vacancies for employment through labour exchanges or other public institutions, subject always and strictly to the suitability of the workman (or -woman) for the employment. Employment in the nature of relief work should be avoided.

By working discreetly along these lines there is no doubt that much can be accomplished. From state-provided schemes on a voluntary basis not much should be expected, though it seems not unlikely that, by a wise use of the preference for work, more can be accomplished even through such schemes than the experience of continental ventures would seem to indicate. But it is through voluntary associations that solid barriers may best be built against the evil consequences of the want of work. Already in the United Kingdom much has been achieved in this direction; during 1908 over £1,000,000 was paid by trade unions in unemployment benefit. So much having been accomplished in this way, and accomplished not all at once but by gradual growth, there seems strong presumption that the right course to take is to develop further along the same lines,

to foster the growth of existing associations and to encourage the establishment of new ones.

For good or ill the community must intervene in the matter of unemployment. Relief work has been tried and, except in very special circumstances, has been found wanting. It is likely to be pernicious and dangerous. Some wiser form of assistance must be found. Much may perhaps be done by the more intelligent distribution of public work. But this practice can only be applied to a limited extent; and it has its own dangers, and great care must be exercised to avoid the pitfalls of relief work. And when all has been done by the more intelligent distribution of public work, provision against unemployment will still be necessary. Such provision may be made either through a state scheme, which, if it is to be on a large scale, must be compulsory, or by encouraging workmen to make provision through their own associations. The detailed inquiry which has been undertaken clearly leads to the conclusion that everything should be done, even if insurance be made compulsory, to stimulate workmen to provide the insurance through their own associations. This is important, not only for the immediate purpose of provision against unemployment, but equally, if not more, for broad reasons of social utility. It is only through organisation that the workman can hope satisfactorily to overcome the many difficulties which beset his path. For the general well-being of the community there is no more cardinal need at the present time than that the habits of organisation, of co-operation with his fellows for a common purpose, should be developed in the workman, habits of thought and action which must be won if industrial conditions are to develop in an orderly manner to a prosperous issue. It is only by actively participating in the management of institutions in which he has a personal interest that these habits can be acquired. By encouraging the workman to provide against unemployment in associations administered by himself, we shall be fostering the growth of qualities essential to all healthy progress which is to stand the stress of circumstance and time.

APPENDIX I.

EXTRACT FROM THE REPORT OF THE DEPARTMENT FOR LABOUR STATISTICS OF THE GERMAN IMPERIAL STATISTICAL OFFICE ON "INSURANCE AGAINST THE CONSEQUENCES OF UNEMPLOYMENT IN FOREIGN COUNTRIES AND IN THE GERMAN EMPIRE," 1906 (PP. 665–7).[1]

CONCLUSION.

"THE account which has been given of the existing institutions for insurance against the consequences of unemployment has necessarily brought forward the many details of the regulations relating to such institutions in Germany and in other countries, and has shown the points of view which come into consideration in each case in estimating the value of the institutions. It remains now as a conclusion to this work to state in a few words the total result which emerges from the many institutions and different points of view, and briefly, but in all essential particulars exhaustively, to set out the chief considerations touching the subject.

"The Imperial Statistical Office has no proposals of its own to make, but has to restrict itself to a comprehensive account of existing institutions and proposals. In the first place, it appears from the account that has been given that the struggle against unemployment itself has to be waged, not by way of insurance, but partly by preventive measures of a general character (regulation of production, general economic policy, better education, regulation of apprenticeship, etc.), and partly by helping workmen to find available employment and by the provision of work (relief work). Insurance offers only protection from the consequences which result from unemployment.

"The statement of the facts relating to unemployment showed, with reference to the temporary unemployment of certain classes in the economic community, that this is an economic condition

[1] The conclusions of this Report are stated in the *Report and Minutes of Evidence* (*June*, 1908) *of the Special Committee on Unskilled Labour*, published by the Charity Organisation Society, London, but having regard to the importance of the Report, I have thought it advisable to include a translation of the conclusions in this volume.

which manifests some degree of regularity and definiteness, and that, as regards the time, the duration, and the extent of its incidence, it may be regarded as a contingency against which, with sufficient experience, safeguards may be taken. And from this point of view insurance against such unemployment, based on technical grounds, would not, perhaps, offer insurmountable difficulties. It has also been shown that the risk of unemployment is very different in different occupations, and that therefore the need of insurance against unemployment is not the same in all occupations. On the other hand, it appeared that in some occupations (agriculture, inland navigation, building) temporary cessation of work during a certain time of the year forms a standing characteristic of the industry, and finds expression partly in the wages, and partly, having regard to particular circumstances, renders necessary special consideration of the significance of the unemployment (as in agriculture).

"The difficulties in the way of insurance against the consequences of unemployment lie much more in another direction. They are met above all in defining and limiting what constitutes the unemployment which entitles to benefit, and in applying the definition in practice. They are manifest also in regulating the obligation to accept work offered. The problem of checking the unemployment of large numbers of unorganised workmen has not yet been solved in practice at any place.

"As regards the different kinds of solutions in which *public money* is provided for insurance against unemployment, it appeared that *compulsory* insurance of general application — which has actually been tried only once, at St. Gall — to a large extent burdens classes of occupations in which there is generally little or no risk of unemployment, and that, on the other hand, it is very difficult to grade contributions exactly according to the risk of unemployment. Apart from the question whether it is necessary to give insurance so wide an application, it was shown that in any insurance of general application which is bureaucratically managed, it is essential to take such precautions and so to restrict the kind of unemployment which entitles to benefit, that workmen readily regard the measures taken as an encroachment on their freedom of migration and in conflict with the aims of their unions. This is manifested especially in dealing with questions which arise when a workman's unemployment has been caused by his leaving his last employment voluntarily, and in regulating the obligation to accept work offered. If the insurance applies to a large number of persons, the danger of *abuses* in connection with these matters is especially great. Control exercised by the labour exchange alone has not at present been shown to be really sufficient. The possibility of taking work and of engaging in bye-employment exists despite this control. And it remains as yet undecided whether in the circumstances which prevail in a

large town a labour exchange is generally in a position to carry out the duties which would be imposed upon it by a compulsory scheme of insurance against unemployment which was of general application.

"The schemes which leave the insurance against unemployment *optional* as a matter of course can only count on those classes of workmen who themselves realise the need of insurance. Experience shows that, apart from organised workmen, these classes are few. Among the worst-placed workmen there is wanting, so far as experience in this matter exists, partly the personal initiative for insurance, partly the ability from their income regularly to pay the premiums. Voluntary insurance schemes therefore always catch only a limited number of members from the classes of workmen who could join. In existing unemployment funds of this kind it is especially workers in the building trade who have thus made provision.

"As a middle course between general compulsory insurance and voluntary insurance is the system *of paying subsidies to existing institutions of trade unions* and other associations which grant benefit in case of unemployment through public institutions. This system has many advantages and has been adopted by the communes in Belgium and by the state in France. It was shown, however, that the percentage of organised workmen in most countries is comparatively small, so that far the larger part of the workmen are scarcely touched by such a scheme. To avoid this and to provide a complementary scheme for unorganised workmen by paying subsidies on provision made through private savings has been shown everywhere to be difficult. Up to the present, attempts of this kind, where tried, have not achieved important results. Comprehensive general insurance funds, on the other hand, do not exist anywhere when adequate complementary provision for unorganised workmen is wanting. A further development of the schemes in Belgium and France is shown in the proposals recently made by the commissions appointed in Norway and Denmark to consider this question. In these proposals it is sought to meet the real objection of giving subsidy only to workmen who are organised in trade unions in a better way than has hitherto been attempted by the giving of facilities to unorganised workmen for making provision through individual savings.

"As to the merits of the schemes tried, which, with the exception of those in Belgium, are still in the experimental stage or are only projected, there does not exist, so far as the participation of a *state* is concerned, adequate results to justify conclusive judgment. With regard to the granting of subsidies by communes, up to the present the experience in Belgium, on the whole, has perhaps not been unfavourable. The objections, however, to which these schemes are open, objections in some respects not

unimportant, have been set out in the particular chapters dealing with them.

"Provision against the consequences of unemployment through self-help, *without claim to public assistance*, has been increasingly successful in all lands among limited classes of workmen, partly in connection with trade unions, and partly in connection with co-operative associations of consumers. But the workman considers that self-help alone, as the normal way of making provision against the consequences of unemployment, is applicable only to a limited degree, and he takes his stand on the fundamental position that to leave the workman to self-help burdens him unjustly, since unemployment is an incident of the prevailing economic system, and that therefore the cost of making provision against unemployment should be borne by the community. But with regard to this view, it should not be overlooked that it cannot be confined to *manual workers*, but in a similar manner can be rightly applied to *all persons who are not economically independent*, and that this kind of argument in its consequences leads to public insurance for *all* persons not economically independent.

"The objection that the workman is unjustly burdened when he is required to make provision through self-help alone is also made against provision through compulsory savings, which has been proposed as a method of providing against the consequences of unemployment in the place of insurance, and is based on the individualistic principle of 'each for himself' in contrast to the principle of insurance, 'all for one.'

"It is agreed in all proposals, and all practical experience confirms, that the existence and development of means for aiding the workman to find employment is of real importance in every kind of assistance or insurance in case of unemployment.

"Accordingly, in the second part of this publication, account is given of the present position of the development of organised public labour exchanges in the German Empire."

APPENDIX II.

LAW RESPECTING THE ESTABLISHMENT OF A STATE UNEMPLOYMENT FUND, AND RESPECTING THE ASSISTING OF PRIVATE UNEMPLOYMENT FUNDS.

THE Great Council of the Canton Basle Urban enacts the following law:—

I. THE STATE UNEMPLOYMENT FUND.

Sect. 1.

The Executive Council is instructed to establish a State Unemployment Fund, of which membership shall be voluntary, and, by ordinance, to make the necessary regulations for this purpose, in so far as they are not provided in this law.

Sect. 2.

Every employed person, whether male or female, who does not work on his or her own account (being a wage-earner), and has lived continuously in the canton Basle Urban for at least six months, is entitled to become an insured member of the Fund, provided that he or she:—

(*a*) is not already a member of a private Unemployment Fund which receives subsidy from the state,
(*b*) is at least over seventeen years of age,
(*c*) is able-bodied,
(*d*) has been at work for at least three months in the territory of Basle Urban.

The Executive Council can by ordinance determine that persons in employment outside the cantonal territory may become insured members, provided that in other respects they fulfil the legal requirements, and the Council shall in that case set out the conditions.

Sect. 3.

Membership lapses through:—

(*a*) death,
(*b*) entrance into a private Unemployment Fund which receives subsidy from the state,

(*c*) ceasing to reside in the canton Basle Urban,
(*d*) employment outside the canton, subject to the provisions in sect. 2, part 2, and sect. 3, part 2,
(*e*) complete invalidity or marked diminution of the ability to work,
(*f*) voluntary resignation,
(*g*) expulsion (sect. 4).

The Executive Council can by ordinance determine that insured members who take up employment outside the canton need not lose their membership provided they remain residents of the canton Basle Urban, and the Council shall in that case set out the conditions.

The Executive Council shall also by ordinance set out the conditions on which members who have resigned or been expelled may again be admitted.

Sect. 4.

A member can be expelled for the following reasons:—
(*a*) failure to comply with the obligations set out in the law or in ordinances,
(*b*) knowingly giving false information,
(*c*) any other abuse of the fund.

The person guilty of an offence will also be liable to the consequences of the misdemeanour under the criminal or civil law.

Sect. 5.

The administration of the Fund (sect. 6) shall be carried out either through a special administrator or through the public labour exchange, under the direction of the Administrative Commission (sect. 7), and according to the regulations of the Executive Council.

If a special administrator is appointed, he shall be appointed by the Executive Council on the recommendation of the Administrative Commission. The Executive Council shall determine also the remuneration and the regulations of his office. The necessary assistants shall be appointed at the request of the administrator by the Administrative Commission, which shall also determine the remuneration or compensation to be paid to them.

The Fund shall be under the oversight of the Department of the Interior and under the general supervision of the Executive Council.

Sect. 6.

The Administration shall attend to the current business of the Fund. It shall keep the Commission informed of matters, and shall prepare the recommendations which appear necessary for the proper management of the Fund.

The following matters are especially among the duties of the Administration :—

(*a*) the secretaryship of the supervisory commission,

(*b*) the preparation of the list of members and the care of all matters relating to the finances and to the accounts,

(*c*) the making of proposals to the Administrative Commission respecting the admission of members (sect. 2),

(*d*) the preliminary business respecting decisions with regard to the striking of insured members off the list of members in the cases provided for in sect. 3, part 1 (*a*), (*b*), (*c*), (*d*), and (*f*),

(*e*) the making of proposals to the Administrative Commission with regard to the striking of insured persons off the list of members in the cases provided for in sect. 3, part 1 (*e*) and (*g*),

(*f*) the preliminary decisions with regard to the obligation of contributing (sect. 10), and with regard to claims to be preferentially informed of vacancies for work (sect. 11), and claims for assistance (sect. 12).

From the orders and decisions of the Administration, appeal may be made to the Administrative Commission. Notice of any appeal is to be given to those concerned.

Sect. 7.

The Administrative Commission is chosen for a period of three years. It consists of eleven members, including the president.

The Executive Council chooses the president and five members.

The insured members choose from their midst the other five members, also four deputy members, to act in place of those members who withdraw during their term of office. The members and the deputy members must be able-bodied persons in possession of burgher rights and rank. The mode of their election shall be regulated by the Executive Council by ordinance.

The members of the Commission receive payment of two francs (1*s.* 7½*d.*) for each meeting.

The Executive Council shall make business regulations for the Commission, in which may be set out compensation to be paid to members for special work, and in which provision may be made for giving certain functions and powers to a committee of the Commission.

Sect. 8.

The business of the Fund is under the guidance of the Administrative Commission. The Commission supervises the Administration, and gives the latter the necessary instructions.

It is the duty of the Commission to consider the ordinances

which have been made by the Executive Council for the carrying out of this law, and to attend to the questions sent to it from the Executive Council or from the Department of the Interior. If necessary, proposals shall be made to the Executive Council respecting the making of new regulations or the changing of existing ones.

In particular, the following matters are among the duties of the Commission :—

(*a*) decision respecting appeals made to it from the orders and decisions of the Administration,

(*b*) decision respecting the admission of members (sect. 2),

(*c*) decision respecting the striking of insured persons off the list of members in the cases provided for in sect. 3, part 1 (*e*) and (*g*).

From the orders and decisions of the Administrative Commision appeal may be made to the Executive Council. Notice of any appeal is to be given to those concerned.

The Executive Council shall make its definitive decision on the report of the Department of the Interior.

The Executive Council shall, by ordinance, regulate the procedure of appeal.

Sect. 9.

The state defrays the cost of establishing and of administering the Fund. The state further provides the necessary subsidies for the payment of benefit to insured members (sect. 12), in so far as the expenditure of the fund cannot be met by the monthly contributions of the insured (sect. 10) and all other sources of income (voluntary contributions from employers, gifts, bequests, fines from insured members, etc.).

The Executive Council shall give the necessary instructions by ordinance respecting the finances and accounts of the Fund.

The Administrative Commission shall have authority to levy fines on insured members for failure to comply with the regulations, and to determine the details for this purpose. The fines must not in any single case exceed fifty centimes [4½*d.*].

Sect. 10.

The insured members must pay monthly contributions (levies) to the Fund. The amount of the contributions shall be fixed by the Executive Council by ordinance. The contributions may be graded under the terms of the ordinance, according to the occupation, the remuneration, or the family circumstances of the insured member, and may be reduced where the insured member has not during a long period made any claim on the Fund for assistance.

All details respecting the collection, and respecting any delay in payment, of contributions shall be determined by the Administrative Commission.

The Executive Council shall by ordinance set out the conditions under which insured members or their dependants can receive back a part of the contributions which have been paid.

Sect. 11.

In case of involuntary unemployment (sect. 13), work, if available, is to be offered preferentially to the members of the Unemployment Fund, that is, is to be offered to them before it is offered to other persons, by the public labour exchange or other public departments, subject to their being suitable for the work.

The Executive Council may set out the details respecting his matter by ordinance.

Sect. 12.

Those insured members who have belonged to the Fund for at least six months and have fulfilled their obligations during that time, in case of involuntary unemployment (sect. 13), shall have a claim to assistance (daily benefit), in so far as work cannot be offered to them. The rate of benefit shall be fixed by the Executive Council by ordinance. At the same time it is to be determined whether a member can claim benefit during any time of the year or only during the winter.

The benefit may, under the terms of the ordinance, be graded according to the occupation, the remuneration, and the family circumstances of the insured member, and may be reduced in case of long duration of unemployment, but not before the expiration of thirty-five days' benefit.

The benefit given to an unemployed member, in so far as it is not travelling benefit, shall not in any case exceed two-thirds of the usual wages during the time of benefit.

The period for which a member may receive benefit begins with the fourth day on which unemployment has been notified, and extends to a maximum of seventy days in a year for the same member.

The Executive Council shall by ordinance set out the conditions under which:—

(*a*) unemployed members to whom work outside the canton has been offered may receive travelling benefit,

(*b*) unemployed members who are single and without dependants may be compelled on payment of travelling benefit to accept work outside the canton.

All details respecting the payment of daily benefit and of travelling benefit shall be determined by the Administrative Commission.

Sect. 13.

The claim to preferential offer of work (sect. 11) and to benefit (sect. 12) lapses:—

(*a*) if the unemployment is due to the voluntary relinquishment of work by the insured, except when there is adequate justification for the immediate relinquishment of the work,

(*b*) if the unemployment is due to a fault of the insured member which legally justifies immediate dismissal under the contract or factory law of the Confederation,

(*c*) if the unemployment is due to the participation of the insured member in a strike; the claim remains in abeyance during the duration of the strike,

(*d*) if the unemployment is in consequence of a lock-out, which is due to a previous strike or lock-out in the same industry; the claim remains in abeyance during the continuance of the lock-out,

(*e*) if the unemployment is due to the illness of the insured person or to an accident to him; the claim remains in abeyance during the continuance of the inability to work,

(*f*) if the insured person refuses, without justifiable grounds, employment offered to him,

(*g*) if the insured person knowingly gives wrong information respecting circumstances which determine the right to, or the amount of, benefit.

Unemployed persons shall not be under obligation to accept employment in vacancies which have occurred in consequence of a strike on the part of the workmen or of a lock-out on the part of the employer.

Sect. 14.

The Administrative Commission shall yearly provide every insured person with a report respecting the operations of the fund and the accounts for the year, after these have been passed by the auditors (sect. 15), shall bring this report and accounts before the general meeting of the insured (sect. 16), and shall afterwards submit them for the approval of the Executive Council.

Sect. 15.

Three auditors shall be appointed yearly for the examination of the accounts.

One auditor, who shall be president, shall be chosen by the Executive Council.

The insured members shall choose two auditors and one deputy auditor from their own midst. The election of these auditors shall be made in accordance with the conditions laid down in sect. 7, part 3.

The auditors shall receive for their work remuneration at a rate to be fixed by the Executive Council.

Sect. 16.

There shall be held at least once a year, in accordance with the arrangements made by the Administrative Commission, a general meeting of the insured members, at which all the members of the Unemployment Fund shall have the right to vote.

The president of the Department of the Interior or his representative, and those members of the Administrative Commission who are not insured members of the fund, also a representative of the Administration, shall have the right to be present at the general meeting and to take an advisory part in the proceedings.

The president of the Administrative Commission, or his representative, shall preside at the meeting.

The Administrative Commission shall call an extraordinary general meeting if this appears to the Commission to be necessary, or if it has been determined at a previous general meeting to hold an extraordinary general meeting, or if a written request to hold such a meeting be received from at least one-fifth of the insured members.

If necessary the Executive Council shall issue regulations for the business of the general meeting.

Sect. 17.

It shall be the business of the general meeting of the insured—

(*a*) to proceed to make the elections which have to be made by the insured members (sect. 7, part 3, and sect. 15, part 3), unless a special mode of election through use of ballot boxes has been prescribed by ordinance;

(*b*) to receive and discuss the report and accounts for the year (sect. 14), and also to decide what proposals shall be made to the Administrative Commission or to the Executive Council with regard thereto;

(*c*) to discuss and to set out its suggestions and requests to the Administrative Commission or the Executive Council with regard to the making of new regulations or the alteration of existing ones.

Sect. 18.

If a private Unemployment Fund is dissolved and desires that its members shall be insured with the State Unemployment Fund, the Executive Council may come to a special agreement with the dissolved fund with regard to the matter.

Through this agreement members of the dissolved private

Unemployment Fund who do not reside in the canton Basle Urban may become members of the State Unemployment Fund, provided they otherwise fulfil the conditions set out in sect. 2 of this law.

Sect. 19.

For the provision of the necessary subsidies to be made to the Unemployment Fund (sect. 9, part 1) there shall be granted to the Executive Council for the space of three years, commencing from the day of the opening of the fund, a yearly credit up to a limit of 35,000 francs [£1,400].

Sect. 20.

The Executive Council shall fix the time of the opening of the fund and shall make provisional regulations for the first election of the Administrative Commission and for the management of its business.

II. Assistance to Private Unemployment Funds.

Sect. 21.

Voluntary unions and associations for unemployment insurance (private unemployment funds) shall have a claim, according to the terms of the following conditions, to state assistance, provided that they apply for it in writing in a form to be prescribed by ordinance by the Executive Council.

Unions and associations shall have the right to make this claim which—

(*a*) have existed for at least six months;

(*b*) are located in the canton Basle Urban or, if their chief location (location of the central office) is in another district of Switzerland, have at least a branch in the canton (a section or the like);

(*c*) have at least fifty insured members who reside in the canton Basle Urban;

(*d*) and fulfil the various conditions set out in the law or by ordinance.

Under the same conditions, those unions and associations shall also have a claim to assistance which have other objects besides that of insurance, provided they keep special accounts in regard to the insurance.

Sect. 22.

As Unemployment Funds within the meaning of this law shall be counted only those which restrict the insurance to the consequences of involuntary unemployment, and accordingly refrain

from granting benefit to insured members at least in the cases set out in sect. 13.

Sect. 23.

The Funds assisted by the state have to provide that—

(*a*) only able-bodied persons shall be paid benefit by them;

(*b*) an unemployed member shall only receive benefit if he has been a member of the fund for at least six months and has paid the contributions due from him;

(*c*) the benefit given to an unemployed member, in so far as this is not in the nature of travelling or migration benefit, shall be limited at the most to seventy days within any one year, and shall not in any case exceed two-thirds of the usual wages during the period of benefit.

Sect. 24.

If work cannot immediately be offered to the unemployed member of a Fund assisted by the state through the Fund itself or through a labour exchange connected with it, then the Fund shall require the member without delay to report himself as unemployed at the public labour exchange or to some other public body designated by the Executive Council.

In cases of involuntary unemployment (sect. 2), as in the case of members of the State Unemployment Fund so also in the case of members of Funds assisted by the state who have lived continuously in the canton Basle Urban for at least six months, work, if available, is to be offered to them before it is offered to other unemployed persons, by the public labour exchange or other public departments, subject to their being suitable for the work.

The Executive Council may set out by ordinance the details respecting this matter.

Sect. 25.

The state assistance of an Unemployment Fund shall be in the form of an annual contribution, according to the terms set out in sects. 26 to 28.

The Executive Council shall decide on the report of the Department of the Interior whether a Fund fulfils the legal conditions required for state assistance.

If the conditions are fulfilled, the Council shall fix the amount of the assistance, which shall be a percentage of the sums which come into account for the past year.

The financial year shall be the same as the calendar year.

The assistance which has been granted may at any time be either wholly or partly withdrawn from a Fund, according to the decision of the Executive Council, if the conditions set out in the law or in ordinances are no longer completely fulfilled.

Sect. 26.

The amount of the yearly contribution of the state shall be determined according to the total sum which up to the end of the financial year—

(*a*) has been actually paid into the Fund by insured members in ordinary (weekly or monthly) contributions;

(*b*) has actually been paid out in benefit by the Fund, within the limits set out in the law, to unemployed insured members.

In determining the amount to be granted by the state, only those contributions of, and benefits to, members shall be taken into account which have been made by, or paid to, members who have been continuously resident in the canton Basle Urban for at least six months.

The state shall pay contribution for the same person only in respect of membership of one Fund.

Travelling or migration benefit shall not be taken into account in determining the contribution of the state.

Sect. 27.

One part of the contribution of the state shall be fixed, according to the circumstances of the Fund, at from 20 to 40 per cent. of the amount of the contributions of members paid into the Fund.

The Fund must use this part of the contribution of the state for forming a reserve fund. As soon as the reserve fund reaches a certain fixed sum, this part of the contribution of the state shall cease, and it shall again first be granted when the reserve fund is diminished.

The Executive Council shall by ordinance make the necessary regulations with regard to the formation, the management, and the application of the reserve fund.

Sect. 28.

The other part of the contribution of the state shall be fixed, according to the circumstances of the Fund, at from 30 to 60 per cent. of the benefit paid out by the Fund.

The Fund may use this part of the contribution of the state partly or wholly towards its expenses, or may set it aside as a special reserve. As soon as the total property of the Fund reaches a certain fixed amount, this part of the contribution of the state shall cease, and it shall again first be granted if the property has diminished to a marked extent and if the other circumstances of the Fund make it appear as right that contribution should be made.

In regard to this matter, the Executive Council may by ordinance set out the details.

Sect. 29.

The Funds assisted by the state shall yearly, according to the regulations of the ordinance, render an account to the Department of the Interior, for the Executive Council, and give the necessary information for the purposes of official statistics.

The Executive Council and the Department of the Interior must cause the finances and accounts of the Funds to be examined at all times by experts (auditors).

No responsibility shall rest on the state, either from the law or in consequence of undertaking or ceasing to undertake the official audit, with regard to the finances and accounts of the Funds, or with regard to the satisfaction of any claim on the Funds on the part of the insured members or any other creditors.

III. Regulations with regard to the Inauguration of the Work.

Sect. 30.

The Executive Council shall fix the date on which this law shall come into operation, and shall by ordinance make the necessary regulations for the execution of the law.

Sect. 31.

At the expiration of three years from the commencement of the operation of the law, the Executive Council shall make a report to the Great Council setting out the results of the State Unemployment Fund and of the state assistance of private Unemployment Funds, and shall at the same time report whether a revision of the law is desirable.

Basle, 16*th December*, 1909.

APPENDIX III.

TABLES OF STATISTICS.

Table.	Place.	Subject.
I.	United Kingdom	100 principal trade unions — Expenditure on unemployment benefits, 1900–9
II.	,,	Friendly Societies—Amounts distributed by some societies in distress relief grants, 1903–8
III.	Cologne	Fund for insurance against unemployment :— Operations, 1896–1910
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VI.	,,	Occupations of members, year 1908–9
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IX.	,,	Benefits and subsidies, 1901–9
X.	,,	Unemployment for which benefit paid in the several trades, 1908
XI.	Ghent	Unemployment in trade unions in the several trades, 1896–1909
XII.	Denmark	Assisted unemployment associations :— Operations, 1907–9
XIII.	,,	Membership, unemployment and benefits, year 1908–9
XIV.	Belgium	Communal unemployment funds :— Operations, 1901–9
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XXII.	,,	Occupations of members of associations, 1909
XXIII.	Milan	Società Umanitaria :— Assistance to insurance against unemployment, 1905–8
XXIV.	,,	Occupations, etc., of members of associations participating, 1908
XXV.	Holland	Communal funds :— Operations, 1909
XXVI.	,,	Operations, January, 1910
XXVII.	Strassburg	Municipal assistance to insurance against unemployment, 1907–9
XXVIII.	,,	Trade unions participating — Membership, benefit and subsidies, 1909

TABLE I. UNITED KINGDOM.—UNEMPLOYMENT BENEFIT PAID IN 100 PRINCIPAL TRADE UNIONS, CLASSIFIED ACCORDING TO TRADES, IN THE YEARS 1900–9.

Year.	Membership of 100 principal trade unions at end of year.	Trades.							The amount paid in unemployment benefit was of the total expenditure of the 100 unions.
		Metal, engineering and shipbuilding.	Building.	Textile.	Printing, paper, etc.	Mining and quarrying.	Other trades.	Total—100 principal trade unions.	
		£	£	£	£	£	£	£	Per cent.
1900 . .	1,206,130	94,227	46,353	60,782	35,410	5,322	19,020	261,114	18·1
1901 . .	1,215,198	132,932	67,100	43,999	36,469	19,428	25,321	325,249	19·8
1902 . .	1,212,296	203,965	73,804	55,748	37,495	20,947	38,181	430,140	23·9
1903 . .	1,200,965	224,950	80,774	110,245	38,690	19,436	38,662	512,757	26·8
1904 . .	1,195,754	303,749	137,381	71,024	40,897	48,663	52,531	654,245	32·0
1905 . .	1,213,657	227,747	142,987	24,428	43,937	37,405	47,118	523,622	25·4
1906 . .	1,297,967	157,137	125,560	24,049	41,387	32,021	44,216	424,370	21·6
1907 . .	1,459,967	199,421	115,951	48,094	39,132	15,091	46,044	463,733	22·5
1908 . .	1,434,930	493,714	164,416	157,717	51,357	61,480	77,037	1,005,721	31·4
1909 . .	1,422,299	448,809	139,457	141,893	56,630	86,511	70,359	943,659	35·1
Total .	—	2,486,651	1,093,783	737,979	421,404	346,304	458,489	5,544,610	26·6

During the 10 years, 1900–9, the amount paid per member in unemployment benefit in the 100 unions averaged 8*s.* 7½*d.* per annum; in the year 1909, the amount averaged 13*s.* 3½*d.*

TABLE II. **UNITED KINGDOM.**—AMOUNTS DISTRIBUTED BY SOME OF THE PRINCIPAL FRIENDLY SOCIETIES IN DISTRESS RELIEF GRANTS, 1903–8.

Society.	1903.	1904.	1905.	1906.	1907.	1908.	Total.
	£	£	£	£	£	£	£
Ancient Order of Foresters	24,542	26,152	25,447	24,475	24,113	—	124,729
Independent Order of Oddfellows, Manchester Unity	20,672	22,310	20,319	22,303	22,968	—	108,572
Independent Order of Rechabites, Salford Unity	6,200	9,747	15,998	15,818	20,341	—	68,104
Loyal Order of Ancient Shepherds, Ashton Unity	—	3,573	3,514	3,286	3,335	5,644	19,352
Order of the Sons of Temperance	—	1,910	1,932	2,068	2,395	3,153	11,458
Hearts of Oak Benefit Society	—	940	1,841	2,104	2,265	3,462	10,612
British Order of Ancient Free Gardeners	—	1,797	1,807	1,528	1,646	2,105	8,883
Grand United Order of Oddfellows	—	1,017	967	1,014	1,284	1,237	5,519
National Independent Order of Oddfellows	—	382	435	484	625	857	2,783
Total	51,414	67,828	72,260	73,080	78,972	16,458	360,012

Table III. COLOGNE.

Operations of the Fund for Insurance against Unemployment in the Years 1896 to 1910.

Year.	No. of persons insured.	No. of insured unemployed.	No. of honorary members.	Receipts from			Paid in benefit to insured unemployed.	Assets at end of year.	No. of days for which benefit paid.	No. of days for which temporary work found for insured unemployed.	Per cent. of unemployed of insured members.	Per cent. of contributions of insured of benefit.	Average benefit paid per day of unemployment.
				Insured members.	Municipality.	Honorary members, and gifts.							
				Marks.[1]	Marks.	Marks.	Marks.	Marks.	Days.	Days.	Per cent.	Per cent.	Marks.
1896–97	132	96	455	1,001	25,000	70,500	2,355	102,557	1,408	2,181	73	43	1.67
1897–98	236	151	455	2,213	—	5,134	3,485	108,302	2,197	2,646	64	64	1.58
1898–99	282	144	408	2,445	—	5,220	3,343	116,163	2,026	2,858	51	73	1.65
1899–00	226	154	367	2,010	—	4,030	4,708	120,261	2,773	3,709	68	43	1.69
1900–01	536	144	332	4.562	—	3,575	19,338	111,868	12,659	6,479	82	24	1.52
1901–02	1,105	842	310	12,434	—	3,335	30,046	99,344	18,259	15,853	76	41	1.64
1902–03	1,265	1,008	297	14,389	20,000	3,218	28,807	109,283	16,046	28,947	80	50	1.79
1903–04	1,501	1,164	279	19.772	20.000	3.043	39.915	113,640	22,910	26,716	78	50	1.74
1904–05	1,596	1,271	269	20,782	20,000	2,978	42,832	115,649	25,034	29.649	80	49	1.71
1905–06	1,463	1,087	254	21,682	20.000	2,795	23,645	138.258	13,414	28.715	74	92	1.76
1906–07	1.155	980	239	17,194	20,000	2,565	40,014	139.939	24,086	18,238	85	43	1.66
1907–08	1,382	1,127	229	20,663	20,000	2,445	48,670	136,360	29,899	20.042	82	43	1.62
1908–09	1,787	1,481	213	26,439	20,000	2,335	61,934	124,045	37,972	24,896	83	43	1.63
1896–09	—	—	—	165,586	165,000	111,173	349,092	—	208,683	210,929	79	47	1.67
1909–10	1,811	1,295	203	26,543	20,000	2,520	42,474	131,311	25,284	24.398	72	63	1.68

[1] A mark is equivalent approximately to 1s.

TABLE IV. **COLOGNE** INSURANCE FUND.—PARTICULARS OF BENEFIT PAID TO UNEMPLOYED MEMBERS IN THE YEAR 1908–9.

No. of members who received not more than 10 marks									128	} 239	
„	„	„	„	from 11 to 20 marks					111		
„	„	„	„	„	21 to 30	„			121	} 287	
„	„	„	„	„	31 to 40	„			166		
„	„	„	„	„	41 to 50	„			316	} 621	
„	„	„	„	„	51 to 60	„			305		
„	„	„	„	„	61 to 67	„			122	} 286	
„	„	„	„	68 marks (maximum limit)					164		
				Total					1,433		

Forty-eight unemployed members did not receive benefit, most of them because they obtained work during the "waiting period" (the time of unemployment—three days—which must elapse before benefit can first be received).

TABLE V. BERNE.

OPERATIONS OF THE FUND FOR INSURANCE AGAINST UNEMPLOYMENT IN THE YEARS 1893 TO 1909.

Year.	No. of members.	No. unemployed.	Receipts from						Payments.			Percentage of insured unemployed.	Percentage of contributions of insured of benefit paid.	Average benefit paid per unemployed person.
			Insured members.	Municipality.	Employers (voluntary contributions).	Other gifts.	Various.	Total.	Benefit.	Various.	Total.			
			Francs.[1]	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Per cent.	Per cent.	Francs.
1893-94	354	216	1,125	4,735	950	1,006	—	7,816	6,836	980	7,816	61	16	32
1894-95	413	226	1,367	5,000	1,704	3,572	15	11,657	9,684	651	10,336	55	14	43
1895-96	544	325	1,610	7,000	1,648	1,173	41	11,471	10,012	980	10,991	60	16	31
1896-97	494	242	1,962	7,000	1,642	5,758	51	16,413	10,643	750	11,393	49	18	44
1897-98	431	195	1,708	7,000	1,090	246	154	10,198	11,635	718	12,353	45	15	60
1898-99	543	375	2,110	7,000	1,284	5,583	100	16,077	16,594	792	17,385	69	13	44
1899-00	585	297	2,212	12,000	1,484	629	83	16,407	16,535	679	17,214	51	13	56
1900-01	597	380	3,112	12,000	1,598	1,521	58	18,289	19,176	949	20,125	64	16	50
1901-02	644	248	2,741	12,000	84	523	51	15,399	12,961	726	13,686	39	21	52
1902-03	719	292	3,931	12,000	42	626	110	16,709	13,464	389	13,853	41	29	46
1903-04	598	297	4,647	12,000	728	492	185	18,051	11,841	434	12,275	50	39	40
1904-05	593	305	4,686	12,000	1,212	530	405	18,833	10,906	164	11,069	51	43	36
1905-06	614	234	4,703	12,000	1,357	229	736	19,024	6,229	252	6,481	38	76	28
1906-07	571	239	3,823	12,000	1,044	77	1,007	17,950	9,805	634	10,439	42	39	41
1907-08	508	233	3,927	12,000	1,038	75	1,578	18,618	12,303	392	12,695	46	32	53
1908-09	520	320	4,042	12,000	853	81	1,880	18,856	16,469	424	16,893	62	25	51
1893-09	—	—	47,702	157,735	17,756	22,119	6,453	251,766	195,091	9,912	205,003	51	24	44

[1] 25 francs are equivalent approximately to 20s.

TABLE VI. BERNE INSURANCE FUND.—OCCUPATIONS OF MEMBERS, YEARS 1908–9.

Occupation.	No. of members in the occupation.	Unemployed.			
		In the occupation.	Per cent. of the members in the occupation.	Per cent. of the total number of members unemployed.	
			Per cent.	Per cent.	
Labourer, navvy, etc.	288	181	64	56	
Stonecutter, mason, cementer	92	67	73	21	
Plasterer, painter	53	24	45	7·5	38·5
Slater or tiler	20	18	90	5·5	
Carpenter	13	9	70	3·0	
Joiner, etc.	11	5	45	1·5	
Gardener	5	4	80	1·5	
Carman	7	4	57	1·5	
Locksmith, mechanic, smith	9	3	34	1·0	
Packer, warehouseman, factory worker	8	2	25	0·6	
Potter	1	1	100	0·3	
Cooper	2	1	50	0·3	
Tinsmith	8	1	12	0·3	
Upholsterer	2	—	—	—	
Official	1	—	—	—	
Total	520	320	62	(100)	

TABLE VII. **BASLE.**—FUND, OF THE LABOUR FEDERATION, FOR INSURANCE AGAINST UNEMPLOYMENT—OPERATIONS IN THE YEARS 1901–9.

Year.	No. of insured members.	No. who received benefit.	No. of days for which benefit paid.	Receipts from							Per cent. of unemployed of insured members.	Per cent. of contributions of insured of benefit.	Days for which benefit paid per member who received benefit.	Benefit paid.	
				Insured.	Canton.	Konsum-verein.	Honorary members.	Other sources.	Total.	Benefit paid.				Per member who received benefit.	Per day of unemployment.
			Days.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Per cent.	Per cent.	Days.	Francs.	Francs.
1901–2	886	102	2,852	2,162	1,000	1,000	1,355	435	5,952	2,882	12	75	28	28	1.01
1902–3	1,174	168	4,126	2,338	1,000	1,000	1,254	226	5,818	5,379	14	43	25	32	1.30
1903–4	506	106	3,028	1,728	2,000	1,000	970	68	5,766	3,936	21	44	28	37	1.30
1904–5	401	126	3,400	1,849	2,000	1,000	945	28	5,822	4,420	31	42	27	35	1.30
1905–6	498	207	5,188	1,920	2,000	—	937	6	4,863	6,744	41	28	25	33	1.30
1906–7	457	179	4,864	2,108	2,000	1,000	847	15	5,970	7,271	39	29	27	41	1.50
1907–8	317	140	4,100	1,880	2,000	1,000	817	—	5,697	6,150	44	30	29	44	1.50
1908–9	240	139	5,007	1,667	3,200	1,000	742	102	6,711	7,134	58	23	36	51	1.42
1901–9	—	—	32,565	15,652	15,200	7,000	7,867	880	46,599	43,916	26	36	28	38	1.35

TABLE VIII. **GHENT** FEDERATION FUND FOR ASSISTING PROVISION AGAINST UNEMPLOYMENT — MEMBERSHIP AND UNEMPLOYMENT, YEARS 1901–9.

Year.	No. of affiliated		Unemployment.				
			Unemployed persons who received benefit.		No. of days for which benefit paid.		
	Associations.	Persons.	No.	Per cent. of affiliated members.	Total.	Per affiliated person.	Per unemployed person who received benefit.
				Per cent.	Days.	Days.	Days.
1901 (5 months)	28	12,985	2,089	16	6,676[1]	0·5	3
1902	33	12,239	3,250	27	31,325	2·6	10
1903	34	12,295	2,711	22	30,296	2·5	11
1904	32	11,996	3,010	25	36,402	3·0	12
1905	31	13,241	2,019	15	34,965	2·6	17
1906	34	13,330	2,601	20	35,751	2·7	14
1907	35	17,426	3,583	21	38,529	2·2	11
1908	36	17,582	7,539	43	82,579	4·7	11
1902–08	—	—	—	25	289,847	3·0	12

[1] It seems doubtful whether the days for which benefit was paid during the five months of 1901 have been correctly stated in the report from which the above particulars are taken.

In 1909 there were 42 affiliated associations with about 18,500 members; 7,186 of the members received benefit during the year in respect of 78,953 days in all.

TABLE IX. GHENT FEDERATION FUND.—BENEFITS AND SUBSIDIES PAID, YEARS 1901-9.

Year.	Payments to unemployed from					Total of benefit and subsidy paid			Amount paid per affiliated member from members' own contributions.	Percentage of total payments in benefit and subsidy met out of members' own contributions.
	Own contributions.	Subsidies.			Grand total.	Per affiliated member.	Per unemployed member.	Per day of unemployment.		
		Ordinary subsidies.	Special credits.[1]	Total.						
	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Francs.	Per cent.
1901 (5 months)	17,875	6,254	—	6,254	24,129	1.9	12	3.6[2]	1.4	74
1902	41,211	16,171	—	16,171	57,382	4.7	18	1.8	3.4	72
1903	35,505	18,982	2,831	21,813	57,318	4.7	21	1.9	2.9	62
1904	42,198	23,363	2,440	25,803	68,001	5.7	23	1.9	3.5	62
1905	35,559	18,108	2,144	20,252	55,811	4.2	28	1.6	2.7	64
1906	41,776	18,165	1,679	19,844	61,619	4.6	24	1.7	3.1	68
1907	41,487	23,330	561	23,892	65,379	3.8	18	1.7	2.4	63
1908	99,126	46,701	—	46,701	145,827	8.3	19	1.8	5.6	68
1902–08	336,862	164,820	9,655	174,476	511,337	5.2	21	1.8	3.4	66

[1] Special payments made to persons who had exhausted their limit of benefit (see p. 103).
[2] See note [1] to previous table.

In 1909 the payments to unemployed members were—from own contributions, 87,755 francs; in subsidy from the fund, 38,199 francs; total, 125,954 francs.

TABLE X. GHENT FEDERATION FUND.—UNEMPLOYMENT IN RESPECT OF WHICH BENEFIT PAID IN THE SEVERAL TRADES FOR 1908.

(So far as particulars are given in the Report for 1906–8.)

Trades.	No. of associations.	No. of members (maximum).	Unemployed.		Days of unemployment.		
			No.	Per cent. of members in the trade.	Total.	Per member.	Per unemployed.
				Per cent.	Days.	Days.	Days.
Building . . .	4	1,823	880	48	15,325	8·4	17
Metal . . .	4	2,950	736	25	15,338	5·2	21
Wood . . .	5	1,416	416	29	6,649	4·7	16
Textile . . .	7	9,914	4,892	49	35,074	3·5	7
Book . . .	4	518	85	16	1,684	3·3	20
Other trades . .	9	2,256	488	22	8,068	3·6	17
All trades . .	33	18,877	7,497	40	82,138	4·4	11

TABLE XI. GHENT.—PERCENTAGE OF UNEMPLOYED IN TRADE UNIONS IN THE SEVERAL TRADES, 1896 TO 1909.

(The year in each case runs from December to November inclusive.)

Year.	Trades.										
	Textile.	Clerks, commercial travellers, and foremen.	Metal.	Wood.	Building.	Book.	Food and tobacco.	Clothing.	Transport.	Various.	All the trades.
1896 .	1·9	1·2	1·5	4·4	19·8	4·5	8·2	8·5	5·1	15·1	3·9
1897 .	2·3	0·9	2·0	1·8	11·4	2·7	8·4	10·8	11·0	8·0	3·2
1898 .	2·8	0·8	3·3	2·2	8·1	0·8	6·8	19·6	14·3	6·8	3·5
1899 .	1·8	0·7	1·9	1·6	9·5	2·5	6·8	18·6	3·1	3·7	1·6
1900 .	1·4	0·8	1·7	2·7	15·7	3·3	7·6	14·3	14·0	5·4	1·4
1901 .	1·6	0·6	3·8	4·5	9·8	4·4	7·9	14·3	1·6	1·4	1·6
1902 .	1·7	0·7	3·9	3·8	10·2	2·9	6·5	20·8	5·4	3·0	1·9
1903 .	1·6	0·7	3·5	4·7	11·4	4·4	9·0	16·0	10·7	3·1	3·0
1904 .	1·9	0·8	2·6	5·3	10·8	1·8	6·8	13·1	7·0	3·3	1·8
1905 .	1·4	0·5	1·8	4·4	9·6	3·2	9·0	15·0	—	1·7	1·3
1906 .	1·2	0·6	1·1	4·6	7·2	3·5	7·5	10·4	—	1·4	1·9
1907 .	1·1	0·6	1·1	3·3	6·7	1·9	4·2	11·9	—	1·5	1·8
1908 .	1·2	0·4	3·9	5·0	11·1	3·1	7·0	25·5	—	1·8	3·0
1909 .	1·2	0·5	3·3	4·5	20·0	2·3	12·2	11·5	—	3·3	3·3
No. of trade unionists in the several trades :—											
1895–96	8,670	2,134	1,912	1,195	1,293	418	352	539	97	130	16,840
1907 .	8,596	2,924	2,780	1,271	1,101	479	424	455	—	998	19,028
1909 .	9,624	3,002	2,835	1,265	1,256	505	433	259	—	1,290	20,469

TABLE XII. **DENMARK.**—ASSISTED UNEMPLOYMENT ASSOCIATIONS—OPERATIONS IN 1907–8[1] ND 1908–9.

	1907–8.		1908–9.	
No. of recognised unemployment associations		34[2]		44[2]
No. of members—Men .	64,789		77,202	
Women .	5,660		6,634	
Total .		70,449		83,836
Receipts during the year—				
From insured members—	Kroner.[3]	Kroner.	Kroner.	Kroner.
Ordinary contributions . .	179,776		848,373	
Special contributions . .	11,992		213,346	
Contributions from other members .	1,077		14,776	
Fines, etc. . .	430		1,690	
Gifts . . .	19,196		2,880	
Interest on capital .	653		19,312	
Subsidies from state	—		150,083[4]	
„ from communes	—		84,546[4]	
Total .		213,124		1,335,006
Expenditure during the year—				
Ordinary benefit in money . .	206,020		1,242,679	
Ordinary benefit in kind . . .	55		45,423	
Travelling benefit .	4,548		22,021	
Special Christmas benefit . .	3,454		21,853	
Removal benefit .	1,717		4,026	
Cost of administration, including cost of administering labour exchanges	22,473		111,560	
Total .		238,267		1,447,562
Assets at end of year, excluding state and communal subsidies in respect of the year .		406,048		325,405
Subsidy *to be paid* by the state in respect of the year		150,083[4]		576,159[4]

[1] The law came into force on August 1, 1907. The operations for 1907–8 are for the period from that date to March 31, 1908.

[2] Particulars for 3 of the 34 funds in 1907–8, and 1 of the 44 funds in 1908–9 are not included in the figures of receipts and expenditure because those funds had not begun to pay benefit in the respective years.

[3] Eighteen kroner are equivalent approximately to 20*s*.

[4] Subsidies granted by the state and the communes in respect of a year are paid after the close of that year and therefore appear in the receipts for the succeeding year.

TABLE XIII. DENMARK.—ASSISTED UNEMPLOYMENT ASSOCIATIONS—MEMBERSHIP, BENEFITS, AND UNEMPLOYMENT, YEAR ENDED MARCH 31, 1909.

Associations.	No. of members on 31/3/09.	Conditions of benefit.		Unemployment and benefit, year ended March, 1909.			
		Maximum number of days' benefit allowed per member per annum.	Waiting period before benefit begins.	Total number of days of unemployment of members.[1]	No. of days of unemployment for which benefit paid.		Per cent. of number of days of unemployment assisted to total unemployment.
					Total.	Per member (on average membership during year).	
		Days.	Days.	Days.	Days.	Days.	Per cent.
1. General labourers	21,526	50	14	—	125,539	6	—
2. Workers in iron and other metals	9,975	70–80	7	289,340	144,888	14	43
3. Joiners or cabinet makers	6,213	70	6	447,092	170,013	27	38
4. Bricklayers	5,143	70	12	382,765	137,871	27	36
5. Tobacco workers	4,289	70	6	84,916	36,743	9	37
6. Builders' carpenters	4,184	70	13	345,294	113,078	28	33
7. Painters	3,662	—	—	—	—	—	—
8. Textile-workers	3,471	70	6	22,473	13,133	4	58
9. Printers	3,424	140	6	31,123	27,908	8	72
10. Boot makers	2,861	70	7	23,962	15,154	6	54
11. Wood workers	2,005	70	6	49,137	20,741	10	42
12. Bakers and confectioners	1,966	70–100	7	78,856	38,463	20	42
13. Butchers, etc.	1,582	70	6	6,084	4,247	3	60
14. Moulders	1,426	70	6	65,120	27,227	19	36
15. Stokers and engine-minders	1,249	70	6	10,125	4,082	3	40
16. Saddlers and upholsterers	1,040	70	14	43,455	20,127	19	40
17. Tinsmiths	1,025	—	—	—	—	—	—
18. Bookbinders	989	70	7	15,251	5,470	6	31
19. Builders' labourers	914	70	14 (28)	100,116	39,472	37	39
20. Coopers	633	80	7	12,423	8,911	14	62

TABLE XIII. DENMARK—*continued.*

21. Electricians	628	—	—	—	—	—	—
22. Gentofte, etc., local fund	613	70	8	—	9,442	14	—
23. Mill workers	510	70	7	7,878	3,362	7	37
24. Carriage makers	494	—	—	—	—	—	—
25. Waiters	488	—	—	—	—	—	—
26. Chewing-tobacco makers	366	70	7	2,651	1,641	5	53
27. Metal founders	364	70	7	12,726	6,676	18	45
28. Ships' carpenters	340	70	6	16,968	8,218	24	42
29. Turners	336	70	6	10,226	3,989	12	39
30. Lithographers, engravers, etc.	329	70, 77, 84	6	—	2,898	9	—
31. Rope makers	210	—	—	—	—	—	—
32. Tanners	199	70	6	3,333	1,642	8	48
33. Cork workers and sorters	194	70	12	2,619	572	3	22
34. Wood carvers, etc.	151	70	6	7,171	2,989	21	36
35. Paviors	147	70	14	(?)11,287	541	4	41
36. Sugar goods, chocolate, and biscuit makers	144	70	7	1,060	704	6	57
37. Brush makers	141	70	6	2,172	1,315	9	60
38. Hat makers	129	70	6	1,591	839	6	53
39. Glove makers	96	70	7	2,222	1,210	12	47
40. Stucco-workers	85	70	12	16,009	2,067	21	13
41. Stone-cutters (marble, etc.)	83	70	6	3,459	1,549	20	46
42. Polishers of iron and other metals	81	70	7	2,247	1,387	18	53
43. Printers on metals	71	70	6	3,156	1,237	18	34
44. Glass-workers	60	—	—	—	—	—	—
Total	83,836	—	—	2,114,317[2]	1,005,345[3]	13[3]	41[2]

[1] The total number of days of unemployment is estimated from the number of members unemployed at the end of each month: this is found to give airly accurate results.

[2] Total of the 34 associations of which particulars are given.

[3] " " " 37 "

TABLE XIV. BELGIUM.—OPERATIONS OF THE COMMUNAL UNEMPLOYMENT FUNDS IN THE YEARS 1901–9.

Year.	No. of Funds.	No. of affiliated communes.	Amount voted for subsidies.	Communal Expenditure			Trade Unions.						Provident Societies.			Persons with accounts in Savings Bank.			Grants made to "isolated" unemployed persons.[1]		Subsidy paid directly to Trade Unions.
				in subsidy.	Expenses of administration.	Total.	No. affiliated.	Unemployed who received subsidy.	Days of unemployment for which subsidy received.	Benefit paid by Unions.	Subsidy received by members.	Percentage of subsidy of benefit.	No. of members who received subsidy.	No. of days for which subsidy paid.	Amount of subsidy paid.	No. who received subsidy.	No. of days for which subsidy paid.	Amount of subsidy paid.	No. who received grants.	Amount of grants paid.	
			Fr.	Fr.	Fr.	Fr.			Days.	Fr.	Fr.	Per cent		Days.	Fr.		Days.	Fr.		Fr.	Fr.
1901	2	2	11,500	6,254	2,100	8,354	26	2,089	6,676	17,895	6,254	36	—	—	—	—	—	—	—	—	—
1902	6	8	41,500	29,174	5,061	34,235	98	3,211	32,220	65,274	29,167	44	—	—	—	?	?	7	—	—	—
1903	9	14	58,150	39,816	4,772	44,588	129	2,835	39,891	67,137	36,517	54	?	?	2,243	?	?	55	—	—	1,000
1904	11	15	60,800	49,945	5,787	55,732	128	2,825	50,605	81,150	46,362	57	?	?	2,483	?	?	100	—	—	1,000
1905	14	18	69,776	41,913	4,762	46,675	131	3,400	55,735	66,368	35,497	53	?	?	2,826	?	?	29	?	2,562	1,000
1906	14	25	83,983	52,537	7,560	60,097	229	5,019	71,970	89,716	46,663	52	170	3,829	2,557	3	38	38	217	2,279	1,000
1907	14	27	101,366	79,426	10,373	89,800	284	9,750	113,726	159,957	74,199	46	136	3,351	2,444	13	250	245	202	2,538	—
1908	16	32	155,955	134,968[2]	14,797	149,765	346	17,348	208,428	305,763	130,896	43	107	1,706	1,351	53	635	964	?	1,757[3]	—
1909	21	41	138,972	117,840	17,092	134,932	364	18,909	180,772	233,041	114,006	49	87	1,911	1,244	10[5]	343[5]	310[5]	—	—	2,281[4]

1 These are payments made as assistance to unemployed persons in need and do not seem in strictness to have anything to do with the assisting of provision made against unemployment; but being distributed through communal funds they are included in the statistics published by the Office du Travail respecting the operation of the funds.

2 In addition to the amounts included in this total, two communes (Antwerp and Berchem-by-Antwerp) voted special amounts for distribution to unemployed persons in 1908 because of the exceptional crisis in that year. No less than 160,000 fr. was voted in Antwerp in 1908 and another 20,000 fr. in January, 1909, for relieving the unemployed and for distribution of food to school children. A large part of the money for the unemployed was distributed through the communal unemployment fund authority. All the money voted does not appear to have been distributed.

3 This 1,757 fr was distributed by the commune of Molenbeek among unemployed who did not belong to a trade union fund and had not made special provision against unemployment. Further particulars are not given.

4 Paid to 188 persons for 2,892 days of unemployment.

5 The payments made by the Ghent Fund are not included in these totals.

TABLE XV. BELGIUM.—OPERATIONS OF THE SEVERAL COMMUNAL UNEMPLOYMENT FUNDS IN 1907.

Fund.	Year in which fund was established.	No. of affiliated communes.	Population of affiliated communes.	No. of affiliated trade unions.	No. of unemployed of affiliated trade unions who received subsidy.	No. of days for which subsidy paid to unemployed of affiliated trade unions.	Paid to unemployed of trade unions.			Subsidy to unemployed not in affiliated trade unions.	Total paid in subsidy.	Cost of administration.	Total paid by the communes.	No. of days in respect of which subsidy paid to members of affiliated trade unions.		Amount paid in benefit and subsidy to members of affiliated trade unions.		Of total amount paid to unemployed of affiliated unions, percentage provided out of subsidy.	Total communal expenditure per inhabitant.	Percentage of communal expenditure spent in administration.
							Benefit.	Subsidy.	Total.					Per unemployed person.	Per inhabitant.	Per unemployed person.	Per day of unemployment subsidised.			
						Days.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Fr.	Days	Days	Fr.	Fr.	Per cent.	Fr.	Per cent.
Antwerp and Borgerhout .	1902	2	350,695	48	3,822	42,175	66,051	26,620	92,671	—	26,620	3,405	30,024	11	0·12	24	2.2	29	0.09	11
Ghent Federation . .	1900	4	228,920	31	3,447	35,178	37,984	21,448	59,432	2,444	23,892	2,430	26,322	10	0·15	17	1.7	36	0.11	9
St. Gilles Federation . .	1902	10	342,616	47	522	9,513	15,499	7,591	23,091	54	7,645	1,618	9,263	18	0·03	44	2.4	33	0.03	17
Brussels . .	1902	1	198,449	42	362	6,606	11,978	5,820	17,798	963	6,783	1,746	8,529	19	0·03	49	2.7	33	0.05	21
Molenbeek .	1902	1	67,094	22	204	4,350	10,037	2,175	12,212	1,575	3,750	—	3,750	21	0·06	60	2.8	18	0.06	—
Berchem . .	1904	1	22,447	11	180	3,504	4,083	3,490	7,572	—	3,490	244	3,734	19	0·16	42	2.2	46	0.16	7
St. Nicholas .	1906	1	33,369	12	258	3,268	2,359	1,491	3,850	—	1,491	400	1,891	13	0·10	15	1.2	39	0.06	21
Louvain . .	1904	1	42,219	14	211	2,320	3,400	1,700	5,099	—	1,700	—	1,700	11	0·05	24	2.2	33	0.04	—
Mechlin . .	1903	1	59,007	15	187	1,933	2,728	914	3,642	—	914	381	1,295	10	0·03	19	1.9	25	0.02	31
Alost . .	1905	1	33,240	15	168	1,757	1,784	1,010	2,794	—	1,010	—	1,010	10	0·05	17	1.6	36	0.03	—
Ixelles . .	1902	1	73,064	9	61	859	1,432	685	2,117	191	876	—	876	14	0·01	35	2.5	32	0.01	—
Renaix . .	1905	1	20,249	6	263	1,561	1,608	643	2,251	—	643	—	643	6	0·08	9	1.4	29	0.03	—
Bruges . .	1902	1	53,781	6	35	376	573	286	859	—	286	150	436	11	0·01	25	2.3	33	0.01	34
Ostend . .	1906	1	42,419	6	30	326	443	326	769	—	326	—	326	11	0·01	26	2.4	42	0.01	—
		27	1,567,569	284	9,750	113,726	159,957	74,199	234,156	5,227	79,426	10,374	89,800	12	0·07	24	2.1	32	0·06	—

TABLE XVI. **BELGIUM.**—COMMUNAL UNEMPLOYMENT FUNDS.—SUBSIDIES TO PERSONS WHO MADE PROVISION AGAINST UNEMPLOYMENT BY INDIVIDUAL SAVINGS THROUGH PROVIDENT SOCIETIES, OR IN SAVINGS BANKS, YEAR 1909.

Funds.	Provident Societies.						Persons with Savings Bank Accounts.				
	No. of societies.	No. of members who received subsidy.	No. of days for which subsidy received.	Amount withdrawn by members from the societies.	Subsidy received by members.	Total of withdrawals and subsidy.	No. of persons who received subsidy.	No. of days for which subsidy received.	Amount withdrawn from accounts.	Subsidy received.	Total of withdrawals and subsidy.
			Days.	Fr.	Fr.	Fr.		Days.	Fr.	Fr.	Fr.
Alost . . .	2	15	228	243	143	386					
Ghent Federation .	2	50	1350	1597	794	2391	(1)				
Ixelles . . .	—	—	—	—	—	—	8	318	436	285	721
Louvain . .	2	17	281	510	255	765	2	25	64	25	89
Verviers . . .	1	5	52	137	52	189					
Total .	7	87	1911	2487	1244	3731	10	343	500	310	810

1 Some subsidy was also given by the Fund of the Ghent Federation to persons who provided against unemployment through accounts in the Savings Bank, but particulars are not given in the publication of the Office du Travail from which the above information has been obtained.

TABLE XVII. BELGIUM.—COMMUNAL UNEMPLOYMENT FUNDS.—NO. OF UNEMPLOYED TO WHOM, AND OF DAYS OF UNEMPLOYMENT FOR WHICH, SUBSIDY PAID IN THE YEAR 1909 IN THE SEVERAL TRADES.

Trades.	No. of persons to whom, and days of unemployment for which, subsidy paid.									
	Members of trade unions.		Persons with savings bank accounts.		Members of provident societies.		Subsidies paid directly to trade unions.		Total.	
	Persons.	Days of unemployment.	Persons.	Days of unemployment.	Persons.	Days of unemployment.	Persons.	Days of unemployment.	Persons.	Days of unemployment.
		Days.		Days.		Days.		Days.		Days.
Building	2,416	36,348	—	—	20	280	15	181	2,451	36,809
Textile	6,513	33,214	—	—	—	—	—	—	6,513	33,214
Metal	2,880	28,853	—	—	—	—	47	766	2,927	29,618
Wood and Furniture	1,992	20,576	1	19	—	—	15	143	2,008	20,738
Tobacco	982	18,936	—	—	—	—	—	—	982	18,936
Book (including printing)	1,402	16,203	1	6	—	—	30	522	1,433	16,731
Skin and leather	443	4,017	—	—	—	—	—	—	443	4,017
Clothing	167	1,930	—	—	12	229	49	1,006	228	3,165
Transport	679	2,831	—	—	—	—	2	51	681	2,882
Employees	104	2,301	—	—	—	—	2	95	106	2,396
Food	145	2,119	—	—	—	—	—	—	145	2,119
Trades of art and precision (diamond-workers, jewellers, etc.)	136	2,092	—	—	—	—	—	—	136	2,092
Ceramic	12	129	—	—	—	—	—	—	12	129
Mining	—	—	—	—	—	—	28	128	28	128
Glass	10	122	—	—	—	—	—	—	10	122
Paper	7	51	—	—	—	—	—	—	7	51
Various	1,021	11,052	8	318	55	1,402	—	—	1,084	12,772
Total	18,909	180,774	10	343	87	1,911	188	2,892	19,194	185,919

TABLE XVIII. **BELGIUM.**—SUBSIDIES GRANTED BY THE PROVINCES IN 1909 IN RESPECT OF PROVISION AGAINST UNEMPLOYMENT.

1. **Liége.**—32,000 francs distributed to trade unions.

12,000 francs was ordinary subsidy distributed directly to 87 trade unions having unemployment funds which had been in existence for at least one year. Two-thirds of the subsidy was divided in accordance with the contributions received by trade unions from their members, one-third according to benefit paid. To arrive at the amount to be distributed to a trade union—

(1) According to contributions.

The total amount received in contributions during the year was multiplied by the amount of the annual contribution payable by each member (up to a maximum of 6 francs; any amount above this was neglected), and then divided by the maximum amount of benefit which a member was entitled to receive in a year by reason of unemployment. The result gave the number of points with which the union was to be credited in the distribution of subsidy, and the proportion which this number of points bore to the total number of points allotted on the same basis to all the unions participating was the proportion of the subsidy which the union received. Thus, suppose a union received 520 francs during the year in unemployment insurance contributions and that the premium for each member was 6 francs and the maximum benefit 80 francs; the points to be credited to this union would be $\frac{6 \times 520}{80} = 39$, and if the total number of points credited to all the unions was 400, the union would receive $\frac{39}{400}$ of the total subsidy divided according to contributions.

(2) According to benefit.

The same principle was followed, the total amount distributed in benefit being multiplied by the annual rate of premium and divided by the annual maximum amount of possible benefit to arrive at the points to be allotted to each union.

One object of this complicated scheme of distribution is that the subsidy shall favour those unions which require fully adequate premiums from their members.

20,000 francs was distributed to certain trade unions which had suffered exceptionally from the industrial depression: the depression affected especially the metal and textile trades.

Every trade union which had to expend more than 6 francs (about 4*s.* 10*d.*) per member during the year in unemployment benefit was considered eligible for the grant; it was distributed to some 40 unions with about 7,000 members.

In connection with the distribution of this special grant, and of a similar grant in the previous year, it was decided that workmen locked out, whose unemployment was due to an industrial disturbance which they had not themselves provoked, should be treated as involuntarily unemployed.

In addition, a credit of £40 was voted for distribution among communes which possessed special schemes for assisting insurance against unemployment; the towns of Liége and Verviers received assistance under this grant.

2. **Hainault.**—10,000 francs voted.

By the regulations adopted in July, 1909, subsidy is not to be given to the extent of more than 50 per cent. on a maximum benefit of 1.50 francs per day or for more than 60 days in a year for the same person. Subsidy is not paid in respect of any person earning more than £80 a year. It is to be paid only on the expenses of federations of at least three associations, located in Hainault. Each association must have not less than 40 members, with a monthly premium of not less than 0.20 francs for persons aged 18 or over, and not less than 0.10 francs for others.

3. **East Flanders.**—5,849 francs distributed.

3,165 francs was distributed to 4 communal funds.
1,696 „ „ „ to 55 associations affiliated to communal funds.
988 „ „ „ to 21 associations not affiliated to communal funds.

After much consideration, a scheme was prepared in 1907 whereby subsidy was distributed according to number of points allotted. The points were allotted thus:—

To communal funds—
500 points for the creation of a new fund;
250 „ „ „ affiliation of a new commune to an existing fund;
100 „ per affiliated commune for maintenance;
from 1 to 2 points, according to number of affiliated communes, per franc of expenses of administration;
1 point per 10 francs of subsidy given.

To associations—
100 points for the creation of a new fund;

To associations—*continued.*

50 points for maintenance, if not affiliated to a communal fund;

25 „ „ „ if affiliated to a communal fund;

1 point per 2 members;

1 point per 10 francs allotted to provision against unemployment.

These two latter rates were only for associations not affiliated to a communal fund; affiliated associations were granted points at $\frac{1}{6}$ of the above two rates. A higher rate was given to associations not affiliated, apparently because they had to keep special accounts for the purposes of the subsidy, which accounts, or similar ones, would be kept by associations affiliated to communal funds for the receipt of subsidy from the latter.

Subsidy was not paid to any association unless the amount came to 20 francs at least. No one institution or association was to receive more than $\frac{2}{5}$ of the total subsidy.

In the distribution for 1908 the above system was slightly modified; in the case of associations, points were not given for expenses of administration, and the scale of points for benefit paid was slightly increased.

4. **Antwerp.**—2,200 francs distributed.

Distributed to 63 associations having unemployment funds towards the expenses of establishing the funds. The subsidy was distributed according to a scale based on the number of insured members in each association. This system was temporary; all the associations with unemployment benefit have received their share of subsidy as originally proposed, and a committee is considering the best system of future distribution.

5. **Brabant.**—2,000 francs distributed.

Distributed to 15 communes, according to the subsidies paid by them to affiliated unemployment funds. A special commission appointed to consider the question reported in favour of the adoption of a system on the same lines as that followed in East Flanders, but the proposal met with opposition in the provincial council.

6. **Namur.**—1,000 francs was provided in the budget for subsidy. 305 francs was distributed to 4 printers' associations. This province is not industrial in character.

Of the other provinces—

West Flanders has been considering the question, and has decided to pay subsidies directly to communal unemployment funds and to associations providing unemployment insurance, in a similar manner to East Flanders; and Limbourg also gives some subsidies.

The remaining province of Belgium (Luxembourg) has few industries and only a small number of inhabitants.

TABLE XIX. BELGIUM.—SUBSIDY PAID BY THE STATE FOR THE YEARS 1908 AND 1909.

Institutions to which distributed.	No. of associations.	No. of unemployed members to whom benefit paid.	No. of days for which benefit paid.	Benefit paid.	Subsidy paid by the state.
			Days.	Francs.	Francs.
Communal unemployment funds	—	—	—	—	2,195
Associations providing unemployment benefit affiliated to communal funds . .	164	9,801	111,612	132,270	7,890
Recognised associations providing unemployment benefit not affiliated to communal funds . .	52	1,777	17,104	17,931	1,421
Total	—	—	—	—	11,506

The amounts distributed for 1909 between the three groups were 3,250 francs, 9,872 francs, and 1,914 francs respectively, making a total of 15,036 francs.

TABLE XX. **FRANCE.**—SUBSIDIES PAID BY THE STATE IN THE YEARS 1905–9 TO ASSOCIATIONS IN RESPECT OF INSURANCE AGAINST UNEMPLOYMENT.

Year.	No. of associations.	No. of members.	No. of unemployed.[1]	No. of days of unemployment for which benefit paid.	Paid to the unemployed in benefit by the associations.	Amount of benefit in respect of which subsidy paid.	Subsidy paid by the state.	Per cent. of subsidy of total benefit paid by the associations.
				Days.	Francs.	Francs.	Francs.	Per cent.
1905	47	33,682	6,645	90,700	167,713	135,467	27,690	16
1906	64	39,053	10,322	107,677	218,488	196,295	42,495	19
1907	68	38,562	7,041	82,011	166,539	155,281	32,240	19
1908	89	39,573	8,211	119,210	215,865	194,300	47,824	22
1909	94	40,016	7,343	94,610	185,902	168,250	42,019	23
1905–9	—	—	—	494,208	954,507	849,593	192,268	20

[1] These figures do not show strictly the number of unemployed, for accounts are rendered half-yearly, and even within the same half-year in some instances the same person who has received benefit on more than one occasion has been counted more than once.

TABLE XXI. **FRANCE.**—ASSOCIATIONS TO WHICH SUBSIDY PAID BY THE STATE FOR THE YEAR 1909.

	Associations.	Half year.	No. of associations.	Average No. of members.	No. of unemployed.	Days of unemployment for which benefit paid.	Amount of benefit paid by the associations.	Amount of benefit in respect of which subsidy paid.	Subsidy paid.
	Associations with branches or federal associations[1]	1st	3	15,315	1,570	Days. 16,519	Francs. 41,005	Francs. 38,900	Francs. 11,671
		2nd	3	14,177	1,612	17,188	45,328	43,869	13,162
Local associations.	Occupational[2] associations with at least 100 members	1st	35	15,606	1,098	24,186	38,591	31,166	6,249
		2nd	29	17,926	1,085	19,912	35,394	30,238	6,059
	Occupational associations with from 50 to 100 members subsidised by the commune or department	1st	15	1,023	272	4,210	5,900	5,634	1,134
		2nd	13	899	250	2,952	5,064	5,064	1,029
	Inter-occupational[3] associations with at least 50 members, subsidised by the commune or department and situated in towns with less than 500,00 inhabitants	1st	3	322	188	1,720	2,418	2,418	484
		2nd	4	554	106	1,126	1,373	1,372	276
	Associations for travelling benefit	1st	5	—	236	—	524	524	106
		2nd	5	—	297	—	595	595	121
	Associations assisted under Art. 12, paragraph 3, of the decree of 31/12/06[4]	1st	1	—	19	—	38	38	10
		2nd	4	157	31	96	165	165	40
	Associations assisted under Art. 23 of the decree of 31/12/06[5]	1st	5	177	57	1,190	1,792	1,792	361
		2nd	14	2,097	349	3,466	4,490	3,318	671
	Associations which changed from one class to another within the year	1st	7	870	105	1,092	1,828	1,778	360
		2nd	7	762	68	953	1,397	1,379	286
	For the year	—	94	40,016	7,343	94,610	185,902	168,250	42,019

[1] Associations having at least 1,000 members and operating in at least three departments.

[2] *I.e.*, restricted to some particular trade or allied trades.

[3] *I.e.*, without restriction as to trade.

[4] In this paragraph it is provided that the minimum subsidy for a half year will be 10 francs, but will not be given if the benefit paid during the half year has been less than 30 francs.

[5] In this article authority is given for dispensing with one or more of the usual conditions in the case of an association which applies for subsidy for the first time.

TABLE XXII. **FRANCE.**—OCCUPATIONS OF THE MEMBERS OF ASSOCIATIONS TO WHICH SUBSIDY PAID BY THE STATE DURING BOTH HALF YEARS, 1909.

Trades.	No. of associations.	Average No. of members.	No. of unemployed.	Days of unemployment for which benefit paid.	Benefit paid by the associations.	Benefit in respect of which subsidy paid.	Subsidy paid.
				Days.	Francs.	Francs.	Francs.
Printing, bookbinding, papermaking, etc.	4	12,748	2,978	31,888	84,855	78,925	23,371
Metal	6	4,101	513	8,449	17,115	17,048	4,112
Commerce, transport, and warehousing	8	7,217	286	9,074	19,574	16,525	3,315
Stone and earthwork[1]	8	1,364	528	14,892	20,435	16,331	3,273
Clothing	6	491	250	4,306	8,674	7,775	1,565
Textile	8	5,348	606	6,988	7,579	6,496	1,305
Leather and skins	4	523	188	3,146	5,454	4,423	887
Construction[2]	2	246	91	1,368	1,898	1,897	380
Food	1	301	89	1,338	1,526	1,526	306
Wood and woodbuildings	1	95	33	523	1,046	1,046	210
Agriculture, forestry, and fishing	1	57	35	152	342	342	69
Total	49	32,491	5,597	82,124	168,498	152,334	38,793
Inter-occupational associations	4	407	370	3,280	4,489	4,489	901
Local associations for travelling benefit	6	—	576	—	1,205	1,205	247
Total	59	32,898	6,543	85,404	174,192	158,028	39,941
Associations subsidised for only one half year	35	7,118	800	9,206	11,710	10,222	2,078
Grand total	94	40,016	7,343	94,610	185,902	168,250	42,019

[1] Included in this group are trades connected with the dressing of stones at quarries, the manufacture of cement, plaster, bricks, tiles, etc., also diamond-cutting.

[2] Included in this group are all trades in connection with the erection, etc., of stone buildings, except joinery and carpentry, included under wood trades, and metal work (locks, etc.), included under metal trades.

TABLE XXIII. **MILAN.**—SOCIETÀ UMANITARIA.—ASSISTANCE GIVEN TO INSURANCE AGAINST UNEMPLOYMENT IN THE YEARS 1905–8.

Year.	No. of affiliated associations.	No. of members.	No. of associations with unemployed members in respect of whom subsidy paid.	No. of members who received subsidy.	No. of days of unemployment for which subsidy paid by the S.U.	Paid to unemployed members			Average No. of days of unemployment for which subsidy paid per unemployed member.	Average amount paid per unemployed member			Average amount paid per day of unemployment			Of total paid to the unemployed, percentage contributed by the	
						in benefit by the associations.	in subsidy by the S. U.	Total.		in benefit by the associations.	in subsidy by the S. U.	Total.	in benefit by the associations.	in subsidy by the S. U.	Total.	Associations.	S. U.
					Days.	Lire.[1]	Lire.	Lire.	Days	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Per cent.	Per cent.
1905 (½ year) on July 1	27	6,449	22	469	12,317	14,384	5,653	20,037	26	31	12	43	1.16	0.46	1.62	72	28
1905 (½ year) on Dec. 31	33	8,363															
1906	36	8,913	24	588	12,242	15,132	5,828	20,960	21	26	10	36	1.23	0.47	1.70	72	28
1907	46	11,944	33	1,477	36,046	38,806	17,662	56,468	24	26	12	38	1.08	0.48	1.56	69	31
1908	49	12,198	34	1,145	26,309	32,887	12,879	45,766	23	29	11	40	1.25	0.49	1.74	72	28
1905–8	—	—	—	—	86,914	101,209	42,022	143,231	24	28	11	39	1.17	0.48	1.65	71	29

[1] 25 lire are equivalent approximately to 20s.

TABLE XXIV. **MILAN.**—SOCIETÀ UMANITARIA.—OCCUPATIONS, ETC., OF MEMBERS OF ASSOCIATIONS PARTICIPATING IN THE SCHEME OF ASSISTANCE IN 1908.

Trades.	Average No. of members in the year.	No. of members assisted.	No. assisted per 100 in the trade.	No. of days for which assistance given.		Average No. of days for which assistance given by the associations per member in the trade.	Amount paid to unemployed by the			Percentage of the total payments made to the several trades.
				By the associations.	By the S. U.		associations to members also assisted by the S. U.	S. U.	Total.	
			Per cent.	Days.	Days.	Days.	Lire.	Lire.	Lire.	Per cent.
Printing, etc. . .	4,977	653	13·1	20,763	18,388	4·2	22,263	8,903	31,166	68·1
Metal . . .	2,628	291	11·1	4,184	3,982	1·6	6,101	2,137	8,238	18·0
Textile . . .	2,245	98	4·4	1,652	1,652	0·7	2,208	824	3,032	6·6
Employees and clerks	846	17	2·0	466	466	0·5	496	233	729	1·6
Glass	436	10	2·3	257	257	0·6	380	126	505	1·1
Industries of precision	335	19	5·7	258	258	0·8	228	129	357	0·8
Skins and leather .	290	26	9·0	579	579	2·0	658	267	925	2·0
Chemical . . .	220	8	3·6	46	46	0·2	42	23	65	0·1
Various . . .	671	23	3·4	681	681	1·0	512	237	749	1·6
Total . .	12,648	1,145	9·1	28,886	26,309	2·3	32,887	12,879	45,766	100

TABLE XXV. **HOLLAND.**—OPERATIONS IN 1909 OF 11 COMMUNAL FUNDS FOR ASSISTING INSURANCE AGAINST UNEMPLOYMENT.

Municipal fund.	No. of unemployed persons to whom		Amount of	
	Benefit paid by associations.	Subsidy paid by fund.	Benefit paid by associations.	Subsidy paid by fund.
			Florins.[1]	Florins.
Amsterdam	1,318	1,272	10,165	7,142
The Hague	577[2]	577[2]	3,742	3,277
Arnhem	472[2]	636	3,133	2,839
Leyden	350[2]	372	2,515	2,107
Groningen	318	318	1,893	1,771
Utrecht	366	358	1,999	1,305
Haarlem	239	223	1,354	1,150
Hilversum	237	236	1,137	1,041
Nimeguen	214	171	755	569
Delft	78	76	452	429
Zeist[3]	84	48	389	244
Total	(4,253)	(4,287)	27,534	21,874

[1] A florin is equivalent approximately to 2*od*.
[2] These figures relate only to 11 out of the 12 months.
[3] At Zeist subsidy is paid only in respect of unemployment during the winter months, and the particulars given relate to the period 1st November, 1909, to 28th February, 1910. The statistics for 1909 and 1910 are given separately, so that the same person may be included more than once in the number of unemployed given in the table.

TABLE XXVI. HOLLAND.—OPERATIONS FOR [illegible]

INSURANCE AGAINST UNEMPLOYMENT.

(Extracted from the Maandschrift van het Centraal Bureau voor de Statistiek.)

Commune (or town).	No. of affiliated associations of which members received subsidy.	No. of members of these associations.	Unemployed members.			No. of days of unemployment of members			Amount paid	
			Total.	No. to whom benefit paid by the associations.	No. for whom subsidy paid by funds.	Total.	for which benefit paid by associations.	for which subsidy paid by funds.	in benefit by associations.	in subsidy by the communal funds.
						Days.	Days.	Days.	Florins.	Florins.
Amsterdam	13	4,116	557	389	384	11,630	6,365	6,313	3,204	2,908
The Hague	11	—	—	220	220	2,607	2,607	2,589	1,304	1,295
Arnhem	11	759	—	160	160	—	1,976	1,976	926	886
Haarlem	5	735	160	149	143	2,327	2,121	2,043	933	714
Groningen	6	518	140	140	140	1,346	1,346	1,346	753	673
Utrecht	10	707	—	110	108	—	1,289	1,265	572	556
Hilversum	7	417	62	56	56	923	674	674	323	316
Leyden	4	268	—	72	57	—	737	676	450	291
Dordrecht	7	602	77	60	55	1,589	699	646	292	243
Nimeguen	9	319	70	51	36	814	564	365	215	141
Zeist	6	136	45	42	19	434	403	272	194	127
Deventer	2	90	19	19	19	253	253	253	127	127
Delft	6	412	34	23	23	340	257	260	112	110
Amersfort	2	48	20	20	20	262	262	262	105	105
Vlaardingen	3	114	17	17	11	192	180	131	66	51
Middelburg	2	81	16	10	6	306	115	77	64	39
Zaandam	2	101	8	8	8	76	76	76	38	38
Bussum	1	45	11	11	11	70	70	70	35	35
Total	107[1]	—	—	1,557	1,476	—	19,994	19,294	9,713	8,655

1 Of the 107 associations, 89 are trade unions. In the Review from which these particulars are extracted, the names of 49 other associations in the towns mentioned are given, with a statement that they did not pay benefit during the month of January.

TABLE XXVII. STRASSBURG.—MUNICIPAL ASSISTANCE TO INSURANCE AGAINST UNEMPLOYMENT, 1907–9.

	1907.	1908.	1909.
Number of affiliated trade unions	20	29	29
Number of members of these unions—at beginning of year	3,671	5,372	4,872
" " " —at close of year	—	—	5,115
Number of members who received subsidy—	153	247	335
Of these, the number of women was	3	1	1
" " who received subsidy more than once during the year was	21	60	181
Number of days in respect of which—			
Benefit was paid by the unions	(?)	10,608½ days	15,459 days
Subsidy was paid by the municipality	2,618 days	4,989 "	8,095 "
Amount of benefit paid by the unions	7,727 marks	14,327 marks	22,901 marks
" subsidy paid by the municipality	1,889 "	3,507 "	5,998 "
Average amount of the subsidy per person assisted per day	0.72 "	0.70 "	0.74

TABLE XXVIII. STRASSBURG.—TRADE UNIONS TO MEMBERS OF WHICH SUBSIDY PAID IN 1909.—MEMBERSHIP, BENEFIT, AND SUBSIDIES.

Trade Union.	No. of members (1/1/10).	Conditions and rates of benefit paid by the Unions.				Paid to unemployed members—		
		Time for which a person must have been a member before qualified for benefit.	Time for which member must have been unemployed before can begin to receive benefit.	Maximum period for which benefit may be received.	Rates of benefit. (m. = for men, w. = for women)	by the unions in benefit.	by the municipality in subsidy.	Amount of subsidy per unemployed person per day assisted.
		Weeks.	Days.		Marks.	Marks.	Marks.	Marks.
Metal workers	1,147	52	6	120 days	6—10 the week (m.); 3—5 the week (w.)	4,367	1,175	0.63
Printers	716	75	—	70—280 days	1.25—1.50 the day	7,939	2,197	1.00
Wood workers	600	52	6	36 days	6—10 the week	2,688	898	0.82
Commune and state workers	366	52	7	4—8 weeks	4 and 3 the week	62	31	0.46
Carpenters	318	52	6	36 days	4.50—7.50 the week	3,384	750	0.62
Business assistants (Deutschnationale)	290	104	15	3—12 months	30—75 the month	240	60	0.58
Transport workers	251	52	7	10 weeks	5—10 the week	256	198	0.49
Painters	250	52	—	25 days	1 the day	—	—	—
Factory workers	225	52	24	24 days	1 (w. half) the day	1,368	59	0.56
Printers' helpers	145	52	—	60 days	4.20—15 the week	544	150	0.56
Business assistants (Zentralverband)	137	52	8	4—12 weeks	1—1.50 the day; 0.70—1 the day	—	—	—
Coopers	80	52	6	42—48 days	1—1.50 the day	30	—	—
Lithographers (Senefelderbund)	66	26	—	4—15 weeks	9—12 the week	649	149	0.81

TABLE XXVIII. **STRASSBURG.**—TRADE UNIONS TO MEMBERS OF WHICH SUBSIDY PAID IN 1909.—MEMBERSHIP, BENEFIT, AND SUBSIDIES—*continued.*

Bookbinders	63	52	3	30—60 days (m.) 30—40 days (w.)	0.75—1.75 the day (m.) 0.75—1.25 the day (w.)	167	47	0.46
Millworkers	61	52	4	40 week-days	0.50—1.50 the week-day	—	—	—
Shoemakers	57	52	—	40 days	0.50—1.30 the week-day	29	—	—
"Christian metal-workers"	56	52	6	20 weeks	6—10 the week	—	—	—
Bakers and confectioners	47	52	7	42 days	1—1·50 the day	182	49	0.61
Office and governmental servants	39	52	14	13 weeks	5—12 the week	—	—	—
"Christian woodworkers"	30	52	6	42 days	6—12 the week	98	21	0.50
Saddlers	29	52	4	36—44 days (m.) 27—46 days (w.)	1—1.50 the day 0.75—1.25 the day	131	35	0.57
Tobacco workers	28	26	3	21—42 days	0.60—1.25 the day	—	—	—
Upholsterers	27	52	3	8 weeks	6—9 the week	132	58	0.66
Sculptors	23	78	6	56 days	1 the day	130	24	0.62
Hat and felt goods makers	22	52	6	5—13 weeks	4.20—9.60 the week	294	43	0.44
Smiths	15	52	6	60 days	6—12 the week	180	42	0.66
Leather workers (glove-makers)	13	52	—	26 week-days (m.) 24 week-days (w.)	1—1.70 the day 0.89½—1.25 the day	6	—	—
Glaziers	10	52	—	4—8 weeks	6—10 the week	14	7	0.75
Porcelain workers	4	52	—	6—14 weeks	0.66—2.33 the day	—	—	—
Building artisans	(?)	80	—	42 days	0.60—1 the day	14	7	0.40
Total	5,115	—	—	—	—	22,901	5,998	0.74

APPENDIX IV.

BIBLIOGRAPHY.

A LIST of books and articles dealing with the different sides of the problem of unemployment is given in "A Bibliography of Unemployment," by F. Isabel Taylor; London, 1909; xix and 71 pp.

A short bibliography of some of the principal works dealing with unemployment insurance is contained in "Insurance against Unemployment," by D. F. Schloss; London, 1909; x and 132 pp.

Very full lists of publications dealing with the same subject are given in the monumental work of the German Imperial Statistical Office (Labour Department)—"Die bestehenden Einrichtungen zur Versicherung gegen die Folgen der Arbeitslosigkeit im Ausland und im Deutschen Reich"; Teil I.; Berlin, 1906; 691 pp. This report may be consulted at the British Library of Political Science, The London School of Economics and Political Science.

I have not considered it necessary to enter in the following list the works of which particulars are given in any of the three publications mentioned above.

I have also not included articles in periodicals. Lists of articles published in some periodicals will be found in the *Economic Journal*. A useful subject-bibliography of magazine articles is also published in *Progress*, the quarterly publication of the British Institute of Social Service. But reference should be made here to the official periodicals dealing with labour questions of the United Kingdom (*The Board of Trade Labour Gazette*), Germany (*Reichs-Arbeitsblatt*), France (*Bulletin de l'Office du Travail*), and Belgium (*Revue du Travail*), which are indispensable sources of information, and to the *Sociale Praxis und Archiv für Volkswohlfahrt*, a weekly publication, issued in Berlin, exceptionally well-informed on the social work of public bodies.

Periodical reports are issued by many of the authorities responsible for schemes for assisting unemployment insurance. Especially valuable are the reports for Denmark (by the supervising inspector), Ghent (by M. Varlez), Cologne, Berne, Strassburg, and Milan (issued by the Società Umanitaria). Brief particulars are given in the *Revue du Travail* of the assistance given

by public authorities in Belgium; in the *Bulletin de l'Office du Travail*, by public authorities in France; and in the *Maandschrift van het Centraal Bureau voor de Statistiek*, by public authorities in Holland.

The most important recent publications with regard to insurance against unemployment are those prepared for the Conference on Unemployment, held in Paris, in 1910. The following is a list of the reports dealing with insurance against unemployment:

GENERAL: Dr. Ph. Falkenburg. Question du Contrôle des Chômeurs dans les Caisses d'Assurance.

BELGIUM: Office du Travail. Les Fonds communaux et provinciaux d'Encouragement à la Prévoyance contre le Chômage involontaire, 1901—9.

R. de Bruyne et J. de Clerck. Le Contrôle des Chômeurs dans les Caisses de Chômage en Belgique. Rapport rédigé au nom du Fonds de Chômage de l'Agglomération gantoise.

Jean H. Claés. Résumé du Rapport: Les Adjudications publiques, le chômage hivernal, présenté au VII^e Congrès annuel belge et I^er Congrès International des Entrepreneurs de peinture (Juillet, 1910).

A Laboulle et G. Grégoire. Les Subventions de la Province de Liége aux Caisses d'Assurances-Chômage.

Th. Théate. La Question du Chômage en Belgique.

Léon Troclet. Fonds intercommunal d'Assurance contre le Chômage involontaire de l'Agglomération liègeoise: Memoire présenté . . . par le Comité Administratif de l'institution: Rapporteur, M. Léon Troclet.

DENMARK: Dr. Th. Sörensen. La Question du Chômage au Danemark.

FINLAND: E. Book. La Question du Chômage en Finlande.

O. Hallsten. L'Assurance contre le Chômage en Finlande.

FRANCE: Léon Bourgeois. La Question du Chômage en France.

Edouard Fuster. L'Assurance contre le Chômage et le Contrôle.

GERMANY: Dr. J. Feig. Der gegenwärtige Stand der Bekämpfung der Arbeitslosigkeit und ihrer Folgen im Deutschen Reich, insbesondere die Arbeitslosenversicherung.

Dr. O. Most. Die Handhabung der Kontrolle in den Arbeitslosenversicherungseinrichtungen Deutschlands.

Gewerkschaften Deutschlands. Vorschläge zur Organisation der Arbeitslosenversicherung ausgearbeitet von dem Delegierten der Generalkommission der Gewerkschaften Deutschlands . . . .

HOLLAND: H. W. Methorst. La Lutte contre le Chômage aux Pays Bas.

HUNGARY: Dr. E. Ferenczi. Die Frage der Arbeitslosigkeit in Ungarn.

ITALY: Prof. R. Bachi. La Question du Chômage en Italie.
A. Cabrini. L'Assurance-Chômage en Italie.

LUXEMBOURG: L. Kauffman. L'Intervention de l'État et des Communes en matière d'Assurance contre le Chômage involontaire dans le Grand Duché de Luxembourg.

NORWAY: Oskar Jaeger. La Loi norvégienne sur l'Assurance-Chômage.
M. Ormestad. Le Contrôle des Chômeurs en Norvege d'après la Loi du 12 juin, 1906 [relative aux subventions accordées aux caisses de chômage].

SPAIN: A. Buylla. La Question du Chômage forcé en Espagne.

SWEDEN: Gunnar Huss. La Question du Chômage en Suède.

SWITZERLAND: E. Hofmann. Die Arbeitslosenversicherung in der Schweiz.

UNITED STATES, AMERICA: W. M. Leiserson. The fight against unemployment in the United States.

Valuable reports were also presented to the first international conference on unemployment, held at Milan, in 1906. (Proceedings published by the Società Umanitaria, Milan, and by Giard-Brière, Paris.)

Insurance against unemployment is also considered in reports of the International Conferences on Social Insurances, especially of the eighth conference, held at Rome in 1908; and in the *Bulletin des Assurances Sociales*, issued by the Permanent International Committee on Social Insurances (Editor-in-chief, M. Ed. Fuster, Paris).

Among other publications may be mentioned—

BADEN: Denkschrift über die Arbeitslosenversicherung. Bearbeitet und herausgegeben vom badischen Ministerium des Innern, Karlsruhe, Juli, 1909. 89 pp.

BASLE: Denkschrift über die Entwicklung der staatlichen Arbeitslosen-fürsorge im Kanton Basel-Stadt; im Auftrage des Regierungsrates des Kantons Basel-Stadt, verfasst von Dr. F. Mangold. (Ausstellung in Mailand, 1906.) Basel, 1906. 74 pp.
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